

**EXHIBIT "D"**  
**OF THE**  
**DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS**  
**FOR SUMMERFIELD SUBDIVISION**

**BY-LAWS**  
**OF**  
**SUMMERFIELD SUBDIVISION PROPERTY OWNERS' ASSOCIATION, INC.**

**Article I**  
**Name, Principal Office and Definition**

**Section 1. Name.** The name of the Association shall be SUMMERFIELD SUBDIVISION PROPERTY OWNERS' ASSOCIATION, INC. (Hereinafter sometimes referred to as the "Association".)

**Section 2. Principal Office.** The principle office of the Association in the State of South Carolina shall be located in the County of Horry. The Association may have such other offices, either within or without the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

**Section 3. Definitions.** The words used in these By-Laws shall have the same meaning as set forth in that Declaration of Restrictions and Protective Covenants for SUMMERFIELD SUBDIVISION (said Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

**Article II**  
**Association: Membership, Meetings, Quorum, Voting, Proxies**

**Section 1. Membership.** The Association shall have two (2) classes of membership, Class "I" and Class "II", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

**Section 2. Place of Meetings.** Meetings of the Association shall be held at the principle office of the Association or as such other suitable place convenient to the Voting Members as may be designated by the Board of Directors either within the Properties or as convenient there to as possible and practical.

**Section 3. Annual Meetings.** The first meeting of the Voting Members, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. The

next annual meeting shall be set by the Board so as to occur no more than one hundred twenty (120) days and no less than ninety (90) days before the close of the Association's fiscal year. Subsequent regular annual meetings of the Voting members shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board. Subject to the foregoing, the annual meeting shall be held at a date and time as set by the Board of Directors.

**Section 4. Special Meetings.** The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting members who represent at least ten percent (10%) of the total membership of the Association. The notice of any special meeting shall state the date, 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.

**Section 5. Notice of Meetings.** Written or printed notice stating the place, day and hour of any meeting of the Voting Members shall be delivered either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

**Section 6. Waiver of Notice.** Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waived by such Voting Member of notice of the time, date and place thereof, unless such Voting Member 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 waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not

given, is raised before the business is put to a vote.

**Section 7. Adjournment of Meetings.** If any meetings of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternative, may adjourn the meeting to a time not more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted.

**Section 8. Voting.** The voting rights of the Members shall be as set forth in the Declaration and Articles of Incorporation, and such voting rights provisions are specifically incorporated herein.

**Section 9. Proxies.** Voting Members may vote in person or by proxy.

**Section 10. Majority.** As used in these By-Laws, the term "majority" shall mean those votes, owners or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

**Section 11. Quorum.** Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by alternate of the Voting Members representing fifty-one percent (51%) of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein. So long as a quorum is present at the opening of the meeting, business may be transacted until adjournment notwithstanding the withdrawal of enough Voting Members to leave less than a quorum in attendance. Further, at any adjourned meeting at which a quorum is present at the reconvening of such meeting any business may be transacted which might have been transacted at the original meeting and notwithstanding the withdrawal of enough Voting Members, to leave less than a quorum.

**Section 12. Conduct of Meetings.** The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

**Section 13. Action Without a Meeting.** Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if a consent in writing setting forth the action

so taken shall be signed by all of the Voting Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Voting Members.

**Article III**  
**Board of Directors, Neighborhood Representatives:**  
**Number, Powers, Meetings**

**A. Composition and Selection.**

**Section 1. Governing Body: Composition.** The affairs of the Association shall be governed by a Board of Directors each of whom shall have one (1) vote. Except as provided in Section 2 of this Article, the Directors shall be Members. In the case of an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

**Section 2. Directors and Neighborhood Representatives During Class "II" Control.** The Directors and Neighborhood Representatives shall be selected by the Class "II" Member acting in its sole discretion and shall serve at the pleasure of the Class "II" Member until the first to occur of the following:

(i) when seventy-five percent (75%) of the Units Permitted by the Master Land Use Plan for the property described on Exhibits "A" and "B" of the Declaration have been conveyed to Persons other than the Declarant or builders holding title for purposes of development and sale; or

(ii) on January 1, 2005; or

(iii) when in its discretion, the Class "II" member so determines.

Within one hundred twenty (120) days thereafter, the Class "II" member shall call a meeting, as provided in Article II, Section 4, of these By-Laws for special meeting, to advise the membership of the termination of the Class "II" member's control or, in the alternative, shall notify each member by U.S. mail that the Class II Membership has terminated.

The Directors and the Neighborhood Representatives selected by the Class "II" member pursuant to this Section need not be Members as provided in Section 1 of this Article.

**Section 3. Veto.** This Section 3 may not be amended without the express, written consent of the Class "II" member, as long as the Class "II" membership exists.

So long as the Class "II" membership exists, the Class "II" member shall have a veto power over all actions of the Board and any committee, as is more fully provided in this Section. This veto power shall be exercisable only by the Class "II" member, its successors, and assigns who specifically take this power in a recorded instrument. The veto power shall be as follows:

No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) the Class "II" member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with this Article III, Sections 10 and 11, of these By-Laws as to regular and special meetings of the Directors and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Class "II" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee, or the Association. The Class "II" Member and its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "II" Member shall have and is hereby granted a veto power over any such action, policy, or program authorized by any committee or the Board of Directors to be taken by any committee or Board or the Association or any individual member of the Association, if Board, committee, or Association approval is necessary for said action. This veto may be exercised by the Class "II" member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association.

**Section 4. Number of Directors.** The number of Directors in the Association shall be not less than three (3) nor more than nine

(9), as provided below. The initial Board shall consist of five (5) members as identified in the Articles of Incorporation. Except during the period of Class "II" control as provided in Section 2 of this Article, directors shall be elected from and shall represent Neighborhood Districts.

**Section 5. Nomination of Directors.** Except with respect to directors selected by the Class "II" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association with at least (1) from each Neighborhood District. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Members to serve from the close of each annual meeting, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations from each Neighborhood for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled from each Neighborhood. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Neighborhood Districts shall be formed and designated by Declarant at the time of turnover of its control.

**Section 6. Election and Terms of Office.** Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the time Class "I" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own twenty percent (20%) of the Units permitted in the Master Land Use Plan for the property described in Exhibits "A" and "B", or whenever the Class "II" Member earlier determines, the Association shall call a special meeting to be held at which time the Voting Members other than the Class "II" Member shall elect one (1) of the five (5) directors who shall be an at-large director. The Director so elected shall not be subject to removal by the Class "II" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) Within thirty (30) days after the time Class "I" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own forty percent (40%) of the Units permitted in the Master Land Use Plan for the property described on Exhibits "A" and "B", or whenever the Class "II" Member earlier determines, the Association shall call a special meeting to be held at which time the Voting Members other than the Class "II" Member shall elect two (2) of the five (5) directors, each of whom shall be at-large directors. The directors so elected shall not be subject to removal by Class "II" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (c) below, whichever is shorter. If such Directors' term expires prior to the happening of the event subsection (c) below, successors shall be elected for a like term.

(c) At the first annual meeting of the membership after the termination of the Class "II" Control Period and at each annual meeting of the membership thereafter, directors shall be elected by the Voting Members. Separate slates shall be proposed for each Neighborhood District and only those Members representing Units in a Neighborhood District shall vote on the representatives for that Neighborhood District. A separate slate shall also be proposed for any at-large directors, and all Voting Members shall be entitled to vote thereon. The number of directors to be elected from each Neighborhood District shall be determined on the basis of a percentage calculated by dividing the number of Units in the Neighborhood District by the total number of Units in the Properties and multiplying by one hundred (100). If the resulting Percentage is:

- 15-25%, the Neighborhood will elect one (1) director;
- 26-50%, the Neighborhood will elect two (2) directors;
- 51-75%, the Neighborhood will elect three (3) directors;
- 76-100%, the Neighborhood will elect four (4) directors.

If application of this formula for any election results in an even number of directors, then one (1) additional director shall be elected at-large by the Voting Members.

At the first annual meeting after the termination of Class "II" control, three (3) of the Directors elected pursuant to Section (c) above shall be elected to serve for a term of two (2) years. The two (2) remaining directors shall be elected to serve for a term of one (1) year. Members of the Board of Directors shall

hold office until their respective successors shall have been elected by the Association. Directors may be elected to serve any number of consecutive terms. The Neighborhood Representatives shall be elected to serve a two (2) year term and may also be elected to serve any number of consecutive terms. The Board of Directors may eventually be increased to a maximum of nine (9) members with each member elected after the terms of the initial Directors to serve a two (2) year term, with the goal to institute a staggered Board for purposes of continuity.

**Section 7. Removal of Directors and Vacancies.** Directors may be removed, with or without cause, by a vote of the Voting Members holding a majority of the votes of the Neighborhood represented by the director whose removal is being sought. Any director whose removal is sought will be given notice prior to any meeting called for that purpose. A director who was elected at large solely by the votes of Voting Members other than the Class "II" Member may be removed from office prior to the expiration of his or her term only by the votes of a majority of the Voting Members other than the Class "II" Member. Upon removal of a director, a successor shall then and there be elected to fill the vacancy by the Voting Members responsible for such removal.

Any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board and it may appoint a successor. Any director appointed by the Board shall serve for the remainder of the term such successor was appointed to fill. The director appointed to fill the vacancy shall be selected from the Neighborhood represented by the director who has vacated the position.

**Section 8. Voting Procedure for Directors.** At any election of directors to the Board of Directors, each Voting Member may cast, in respect to each vacancy, as many votes as he or she is entitled to exercise under Article IV of the Declaration. Votes shall be cast as provided (total units in Neighborhood) in Section 6 hereof. The candidates receiving the largest number of votes shall be elected.

## **B. Meetings**

**Section 9. Organizational Meetings.** The first meeting of the Board of Directors following each annual meeting of the membership



shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

**Section 10. 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 four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

**Section 11. Special Meetings.** Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by a majority of directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given by use of the director's telephone number or shall be sent to the director's address as shown on the records of the Association. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephones, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

**Section 12. Waiver of Notice.** The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice of consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

**Section 13. 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 or Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting until such time and place as they may determine. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

**Section 14. Compensation.** No director shall receive any compensation from the Association for acting as such unless approved by Members holding a majority of the total vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

**Section 15. Conduct of Meetings.** The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors, and all transactions and proceedings occurring at such meetings.

**Section 16. Open Meetings.** Subject to the provisions of Section 17 of this Article, all meetings of the Board shall be open to all Voting Members, but Voting Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Voting Member may speak.

**Section 17. Action Without a Formal Meeting.** Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors and such consent shall have the same force and effect as a unanimous vote.

C. **Powers and Duties.**

**Section 18. Powers.** The Board of Directors shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the

Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Voting Members of the membership generally.

The Board of Directors shall delegate to one of its embers the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation.

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided unless otherwise determined by the Board of Directors, the annual assessment for each Unit's proportionate share of the Common Expenses shall be payable in equal monthly installments, or as determined by the Board of Directors;

(c) providing for the operation, care, upkeep and maintenance of all of the Common Areas;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purpose of equipment, supplied, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting principles;

(m) making available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Article of Incorporation, the By-Laws, rules governing the Unit, and all other books, records, and financial statements of the Association ; and

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

(o) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of South Carolina S33-31-101 et seq., Code of Laws of South Carolina (1976) as amended, may now or hereafter exercise.

#### **Section 19. Management Agent.**

(a) The Board of Directors may employ for the Association

a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (d), (f), (g), and (i) of Section 18 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee or penalty on ninety (90) days' or less written notice.

**Section 20. Accounts and Reports.** The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls shall conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; unless it benefits the Association;

(e) an financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a variance report reflecting the status of all Association ledger accounts in an "actual" versus "approved" budget

(iii) a balance sheet as of the last day of the preceding period; and

(iv) a delinquency report listing all Owners who are delinquent in paying the assessment's at the time of the report and describing the status of any action to collect such installments which remain delinquent (A monthly installation of the assessment shall be considered to be delinquent on the fifteenth (15<sup>th</sup>) day of each month unless otherwise determined by the Board of Directors); and

(g) an annual report as of the end of the fiscal year consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited, reviewed, or unaudited basis, as determined by the Board, by an independent certified public accountant for any fiscal year in which the gross income of the Association exceed Seventy-Five Thousand Dollars (\$75,000.00). If said report is not prepared by an independent certified public accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

**Section 21. Borrowing.** The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas without the approval of the membership; provided however, the Board shall obtain Voting Member Approval in the same manner provided in Article VI, Section 4, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

**Section 22. Rights of the Association.** With respect to the Common Areas, and in accordance with the Articles of Incorporation and By-Laws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhood and other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

The Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed during the period of Class "II" control unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than ninety (90) days' notice to the other party.

Notwithstanding anything to the contrary contained herein, the Association, through its Board of Directors, shall have the right to enter into a declaration of easement and covenant to share costs or similar arrangement whereby the Association assumes maintenance responsibility for property which it does not own, or grants easements to entities which are not Members, in consideration for payment by the owner of such property or such nonmembers of all or a portion of the costs associated with such maintenance or use.

**Section 23. Enforcement.** The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations adopted hereunder; provided, however, nothing herein shall authorize the Association of the board of Directors to limit ingress and egress to or from a Unit. In the event that any occupant of a Unit violates the Declaration, By-Laws, or a rule or regulation and a fine imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) **Notice.** Prior to imposition of any sanction hereunder, except the suspension of voting rights for nonpayment of assessments, the Board or its delegate shall serve the alleged violator with written notice describing (i) (the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenant's Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) **Hearing.** If a hearing is requested in a timely

manner, the hearing shall be held in executive session affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) **Appeal.** Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) **Additional Enforcement Rights.** Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any Provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner of occupant responsible for the violations of which abatement is sought shall pay all costs, including reasonable Attorney's fees actually incurred by the Association.

#### **Article IV** **Officers**

**Section 1. Officers.** The officers of the Association shall be a President, Vice President, Secretary and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the office of President and Secretary.

**Section 2. Election. Term of Office, and Vacancies.** The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors



following each annual meeting of the representatives of the membership, as herein after set forth in Article III. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired position of the term.

**Section 3. Removal.** Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

**Section 4. Powers & Duties.** The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration.

**Section 5. Resignation.** Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc.** All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

## Article V **Committees**

**Section 1. General.** Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee of with rules adopted by the Board of Directors.

**Section 2. Covenants Committee.** In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. Acting in accordance with the provisions of

the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and conduct all hearings held pursuant to Article III Section 23 of these By-Laws.

**Section 3. Neighborhood Committees.** In addition to any other committees appointed as provided above, there shall be a Neighborhood Committee for each Neighborhood which has no formal organizational structure or association. Such Neighborhood Committees shall consist of three (3) members; provided, however, by vote of at least fifty percent (50%) of the Owners within the Neighborhood this number may be increased to five (5). The members of each Neighborhood Committee shall be elected by the vote of Owners of Units within that Neighborhood at an annual meeting of such owners, at which the Owners of Units within that Neighborhood holding at least one-third (1/3) of the total votes of Units in the Neighborhood are present or represented by proxy. Each Owner of a Unit within a Neighborhood shall have one (1) vote. Committee members shall be elected for a term of one (1) year or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall be an ex officio member of the Committee. It shall be the responsibility of the Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A neighborhood Committee may advise the Board on any other issues, but shall not have the authority to bind the Board of Director. All action taken by the Neighborhood Committee shall require a majority vote of those attending a meeting where a quorum is present in person or by proxy.

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Article III, of these By-Laws; provided, however, the term "Voting Member" shall refer to the Owners of units within the Neighborhood. Each Neighborhood committee shall elect a chairman from among its members who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board of Directors and shall be the Voting Member serving on the Board of Directors from that Neighborhood.

Article VI  
**Miscellaneous**

**Section 1. Fiscal Year.** The fiscal year of the Association shall be set bay resolution of the board of Directors.

**Section 2. Parliamentary Rules.** Except as may be modified by Board Resolution, **Robert's Rules of Order** (current edition) shall govern the conduct of Association Proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws.

**Section 3. Conflicts.** If there are conflicts or inconsistencies between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

**Section 4. Books and Records.**

(a) **Inspection by Members and Mortgagees.** The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

**Section 5. Notices.** Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid.

(a) if to a Member or Voting Member, at the address which the Member or Voting Members has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member or Voting Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the Principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

**Section 6. Amendment.** Prior to the conveyance of the first Unit, Declarant may unilaterally amend these By-Laws. After such conveyance, the Declarant may unilaterally amend these By-Laws provided that it still owns property described in Exhibits "A" or "B" and that said amendment does not materially alter or change the Owner's right to use the Unit or the Common Property. Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote (in person or by proxy) of the Voting Members representing sixty-six and two-third percent (66 2/3%) of the total votes of the Association, including sixty-six and two-third percent (66 2/3 %) of the votes of Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment shall be effective until recorded in the public records of Horry County, South Carolina.

IN WITNESS WHEREOF, the undersigned SUMMERFIELD SUBDIVISION PROPERTY OWNERS ASSOCIATION, INC. has caused this instrument to be executed this 21 st day of July, 2000.

SUMMERFIELD SUBDIVISION  
PROPERTY OWNERS ASSOCIATION,  
INC.

By: \_\_\_\_\_ (Signature) \_\_\_\_\_  
GREGORY K. THOMPSON  
President

Attest: \_\_\_\_\_ (Signature) \_\_\_\_\_  
Secretary