

**BYLAWS
OF
BEACH CLUB TOWN HOMES HOMEOWNERS ASSOCIATION**

**ARTICLE I.
BUSINESS ADDRESS**

The business address of Beach Club Town Homes Homeowners Association ("the Association") shall be c/o Henderson Properties, 919 Norland Road, Charlotte, NC 28205. The business address may be changed by the Board of Directors if required by the U.S. Postal Service, or, upon approval of the membership for any other reason.

**ARTICLE II.
MEMBERSHIP IN THE ASSOCIATION**

Every person or entity who is a record owner of a fee or undivided fee interest in any separate parcel of land designated for separate ownership or occupancy and residential use ("the Lots") within Beach Club Town Homes, a South Carolina community, located in York County, South Carolina, shall be a member of the Association. Ownership of such interest shall be the sole qualification for membership, and membership shall be appurtenant to and may not be separated from such ownership. All references herein to "the Community" shall mean and refer to all areas encompassed by the boundaries of that tract of land located in York County, South Carolina, and described in Exhibit A attached hereto and incorporated herein, and such additional land as may be subjected to the Declaration for Beach Club Town Homes of record at Book _____ Page _____ of the Office of the Clerk of Court, York County, South Carolina ("the Declaration").

**ARTICLE III.
PURPOSES OF THE ASSOCIATION**

The powers, purposes and duties of the Association shall be:

- A. To maintain and preserve all Common Areas, and all roads, streets, decorative and protective structures (including but not limited to entry monuments and buffer walls). Ponds, lakes, utilities, landscaped areas and other improvements located thereon, if any;
- B. To enforce the provisions of these Bylaws, of the Declaration, of any Supplemental Declaration, the Articles of Incorporation, the Architectural Guidelines and of any rules and regulations promulgated by the Association, as the same may be amended from time to time;
- C. To have all rights and powers and to perform all duties and obligations under the Declaration that may be assigned to it by Declarant;
- D. To promote and protect the enjoyment and beneficial use and ownership of the Lots; and,

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- E. To promulgate and enforce the rules and regulations and administrative rules and regulations for use of the Common Areas.

No part of the net earnings of the Association shall inure to the benefit of its members, Directors or Officers, or to any other person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the above stated purposes.

**ARTICLE IV.
ASSESSMENTS**

The Association shall have the power to make and collect assessments against the Lots as stated in Article IX of the Declaration, the terms of which are incorporated herein.

**ARTICLE V.
MEETINGS OF MEMBERS**

Section 1. **Place of Meetings.** All meetings of members shall be held at such place in York County, South Carolina, as shall be designated on the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. **Annual Meetings.** The annual meeting of the members for the election of Board of Directors and the transaction of the other business shall be held in November of each year on any day (except a legal holiday) in that month as determined by the Board of Directors for the following purposes:

1. to fix the amount of the annual assessment against each lot pursuant to Article IV above;
2. to elect members of the Board of Directors of the Association; and
3. to transact any other business that may come before the membership, including but not limited to the adoption, modification and/or repeal of any rules and regulations governing the Community.

Section 3. **Substitute Annual Meeting.** If the annual meeting shall not be held as designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article V. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. **Special Meetings.** Special meetings of the members may be called at any time by the President, a majority of the Board of Directors of the Association, or by petition of the Lot owners having at least ten percent (10%) of the votes in the Association.

Section 5. **Notice of Meetings.** Written notice stating the time and place of the meeting shall be delivered not less than ten nor more than fifty days before the date of any members' meeting, either personally or by mail, by or at the direction of the President or the Secretary of the Association, to each member of record. If mailed, such shall be deemed to be delivered when

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deposited in the United States Mail, addressed to the member at his/her address as it appears on the record of members of the Association, with postage thereon prepaid. It shall be the responsibility of the individual members to keep the Secretary informed of their current addresses. In the absence of instructions from an individual member as to his/her address, the Secretary shall be entitled to rely on the most recent records of York County Tax Collector to determine the addresses of the owners) of a Lot.

The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any proposed changes to the budget, or any proposal to remove a Director or Officer.

Within 30 days after adoption of any proposed budget for the Community, the Board shall provide to members a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the members to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at such meeting. The budget is ratified unless at that meeting a majority of all the members in the Association or any larger vote specified in the declaration rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the members shall be continued until such time as the members ratify a subsequent budget proposed by the Board.

Section 6. **Voting Rights**. On matters of Association business submitted to vote of the membership, there shall be two classes of membership as provided for in Section 3.3 of the Declaration.

Except as otherwise provided for in these Bylaws or in the Declaration, as the same may be amended from time to time: (i) Lot owners entitled to cast at least ten percent (10%) of the votes in the Association (represented either in person or by proxy) shall constitute a quorum for the purposes of submitting any matter to a vote, and (ii) all matters submitted to a vote at any meeting held in accordance with these Bylaws shall be decided by a simple majority of the total votes cast.

Section 7. **Voting by Proxy**. Votes may be cast either in person or by one or more agents authorized by a dated, written proxy executed by the member or his/her attorney-in-fact. A proxy terminates one year after its date, unless it specifies a shorter term. Any form of proxy which is sufficient in law may be used, but the following form of proxy shall be deemed sufficient:

The undersigned hereby irrevocably constitutes and appoints _____ their attorney-in-fact and proxy for the sole purpose of casting the vote allocated to Lot ____ on all matters submitted to vote at that meeting of Beach Club Town Homes Homeowners Association to be held on _____, 20____. The undersigned hereby ratifies and confirms all such votes cast on behalf of said lot at that meeting, and certifies that he or she is fully authorized to execute this instrument of proxy on behalf of all owners of any fee interest in said lot.

This the _____ day of _____, 20__.

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Section 8. **Voting List**. At least ten days before each meeting of members, the Secretary of the Association shall prepare an alphabetical list of the members entitled to vote at such meeting or any adjournment thereof with the address of each which shall be kept on file with the book of records of the Association. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any members during the whole time of the meeting.

Section 9. **Waiver of Notice**. Any member may waive notice of any meeting. The attendance by a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**ARTICLE VI.
BOARD OF DIRECTORS**

Section 1. **Purpose, Number and Term of Office**. The business and affairs of the Association shall be managed by a Board of Directors which shall consist of five (5) members . (or representatives of corporate or other non-human members), at least a majority of whom shall be Lot owners.

Section 2. **Election and Term**. Members of the Board of Directors of the Association shall be elected by the membership of the Association at the annual meeting of Association members to fill the terms of those Directors whose terms expire. Those persons who receive the highest number of votes at a meeting shall be elected. The election of Directors shall be by ballot. Members or representatives of corporate or other non-human members may also serve as Directors of the Association. The Directors shall be elected to two -year terms except that the terms of those Directors elected at the Special Meeting in March, 2012 called for the transition of the Board of Directors from Declarant control to control by the members shall be for the period ending as of the first Annual Meeting and election of Directors after their initial election. Each Director shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and election of his/her successor. The terms of Directors initially elected after the approval of the expansion of the Board of Directors to five members but prior to the Annual Meeting held in 2012 shall be until the second Annual Meeting and election of Directors after their initial election.

Section 3. **Removal**. Any Director may be removed at any time with or without cause by a majority vote of the members at a meeting held in accordance with these Bylaws.

Section 4. **Vacancies**. In the event of the death, disability, resignation or removal of a Director, his/her successor shall be selected and appointed by the Board of Directors (even though fewer than five Directors may remain on the Board) to serve until the next annual meeting of the members.

Section 5. **Powers and Duties**. The Board of Directors shall have all the following powers and duties:

- (1) Adopt and amend bylaws and rules and regulations subject to the approval of a majority of the members voting at a meeting of the members;

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- (2) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from lot owners;
- (3) Hire and discharge managing agents and other employees, agents, and independent contractors;
- (4) Institute, defend, or intervene in litigation or administrative proceedings on matters affecting the community;
- (5) Make contracts and incur liabilities;
- (6) Regulate the use, maintenance, repair, replacement and modification of the Common Areas;
- (7) Cause additional improvements to be made as a part of the Common Areas;
- (8) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that the Common Areas may be conveyed or subjected to a security interest only pursuant to Section 6 of this Article VI;
- (9) Grant easements, leases, licenses, and concessions through or over the Common Areas;
- (10) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Areas other than the limited Common Areas and for services provided to lot owners;
- (11) Impose reasonable charges for late payment of assessments and, after notice and an opportunity to be heard, suspend privileges or services provided by the Association (except rights of access to lots) during any period that assessments or other amounts due and owing to the Association remain unpaid for a period of 30 days or longer;
- (12) After notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to lots) for reasonable periods for violations of the Declaration, Bylaws, and rules and regulations of the Association;
- (13) Impose reasonable charges in connection with the preparation and recordation of documents, including, without limitation, amendments to the declaration or statements of unpaid assessments;
- (14) Provide for the indemnification of and maintain liability insurance for its Officers, executive board, Directors, employees, and agents;
- (15) Assign its right to future income, including the right to receive common expense assessments;
- (16) Exercise all other powers that may be exercised in this State by legal entities of the same type as the Association; and
- (17) Exercise any other powers necessary and proper for the governance and operation the Association.

The Board of Directors shall also serve as an architectural review committee for the Community on an "as needed" basis. The Board of Directors may not assign any of its powers except that: (a) the Officers of the Association shall have the powers and perform the duties and functions assigned to them by these Bylaws and by the Board of Directors from time to time; and (b) The Board of Directors may appoint three members, who need not be Directors, to serve as an architectural review committee in lieu of the Board.

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Section 6. **Conveyance or encumbrance of Common Areas.**

- a. Portions of the Common Areas may be conveyed or subjected to a security interest by the Association if lot owners entitled to cast at least eighty percent (80%) of the votes in the Association agree in writing to that action; provided that all the owners of lots to which any limited Common Area is allocated shall agree in order to convey that limited Common Area or subject it to a security interest. Distribution of proceeds of the sale of a limited Common Area shall be as provided by agreement between the lot owners to which it is allocated and the Association. Proceeds of the sale or financing of a Common Area (other than a limited Common Area) shall be an asset of the Association.
- b. The Association, on behalf of the lot owners, may contract to convey Common Areas or subject them to a security interest, but the contract is not enforceable against the Association until approved pursuant to subsection (a) of this Section 6. Thereafter, the Association has all powers necessary and appropriate to affect the conveyance or encumbrance, free and clear of any interest of any lot owner or the Association in or to the Common Area conveyed or encumbered, including the power to execute deeds or other instruments. Any purported conveyance, encumbrance, or other voluntary transfer of Common Areas unless made pursuant to this section is void.
- c. No conveyance or encumbrance of Common Areas pursuant to this section may deprive any Lot of its rights of access and support.

**ARTICLE VII.
MEETINGS OF DIRECTORS**

Section 1. **Called Meetings.** Meetings of the Board of Directors may be called by or at the request of the President or any two Directors.

Section 2. **Notice of Meeting.** The person or persons calling a Meeting of the Board of Directors shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 3. **Waiver of Notice.** Any Director may waive notice of any meeting. The attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. **Quorum.** Participation either in person or by telephone of a majority of the number of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5. **Manner of Acting.** Except as otherwise provided in these Bylaws, the act of the majority of the Directors participating in a meeting at which a quorum exists shall be the act of the Board of Directors.

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Section 6. **Informal action by Directors.** Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the Directors and filed in the book of records of the Association, whether done before or after the action so taken.

Section 7. **Committees of the Board.** The Board may establish either standing or ad hoc committees of the members to assist it in its work. Such committees shall be chaired by a member who is elected by a vote of the Board of Directors. The Chair may or may not be a Director at the discretion of the Board of Directors.

**ARTICLE VIII.
OFFICERS**

Section 1. **Designation.** The Officers of the Association shall consist of a President, a Vice-President, a Secretary, and a Treasurer, and such other Officers as the Board of Directors may from time to time elect. The offices of Secretary and Treasurer may be held by the same person; otherwise no two offices may be held by the same person.

Section 2. **Election and Term.** The initial Officers of the Association shall be elected by the initial Directors or the Association. Subsequently, the Officers of the Association shall be elected by the Board of Directors. Immediately after each annual meeting of the members of the Association and the election of a Board of Directors at that meeting, the Board of Directors shall meet to elect Officers. Only Directors may serve as Officers of the Association except that this restriction shall not apply to the initial Officers. The Officers shall be elected to one-year terms, and each Officer shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and the election of his/her successor except that the terms of those Officers elected at the Special Meeting called for the transition of the Board of Directors from Declarant control to control by the members shall be for the period ending at the next Annual Meeting following their election, and shall hold office until his/her death, disability, resignation or removal, or until the expiration of his/her term and election of his/her successor

Section 3. **Removal.** Any Officer may be removed at any time with or without cause by the Board of Directors upon the affirmative vote or action of not less than four (4) of the Directors.

Section 4. **Vacancies.** In the event of the death, disability, resignation or removal of an Officer, his/her successor shall be selected and appointed by the Board of Directors (even though fewer than five Directors may remain on the Board) to serve until the next annual meeting of the members of the Association.

Section 5. **President.** The President shall be the principal executive Officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He/she shall, when present, preside at all meetings of the members. He/she shall sign, with the secretary, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other Officer of the Association, or shall be required by law

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to be otherwise signed or executed; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. **Vice-President**. In the absence of the President or in the event of his/her death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President, and shall perform such other duties as from time to time may be assigned to him/her by the President or Board of Directors.

Section 7. **Secretary**. The Secretary shall: (a) keep minutes of the meetings of members, of the Board of Directors and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and (e) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 8. **Treasurer**. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected in accordance with the provisions of Section of Article IX of these Bylaws; and, (c) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors, or by these Bylaws.

**ARTICLE IX.
CONTRACTS, LOANS, CHECKS, AND DEPOSITS**

Section 1. **Contracts**. The Board of Directors may authorize any Officer or Officers to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. **Loans**. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors.

Section 3. **Checks and Drafts**. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by the President or the Treasurer of the Association.

Section 4. **Deposits**. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

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**ARTICLE X.
INDEMNIFICATION**

Any person who at any time serves or has served as a Director or Officer of the Association shall have a right to be indemnified by the Association to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him/her in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, arbitral action, suit, or proceeding (and any appeal therein) related to such person's conduct in connection to duties or actions connected to the operations of the Association, whether or not brought by or on behalf of the Association, seeking to hold him/her liable by reason of the fact that he/she is or was acting in such capacity, and (b) reasonable payments made by him/her in satisfaction of any judgment, money decree, fine, penalty or settlement for which he/she may have become liable in any such action, suit, or proceeding.

Upon request for payment the President of the Association shall promptly call a special meeting of the Board of Directors to obtain approval to pay the indemnification required by these Bylaws. Such approval may be general or confined to specific instances, and shall not be unreasonably withheld. Upon approval by the Board of Directors, the President shall promptly cause the indemnification to be paid to the requesting party.

Any person who at any time after the adoption of these Bylaws serves or has served as a Director or Officer of the association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of these Bylaws.

**ARTICLE XI.
DISSOLUTION**

In the event of dissolution of the Association, the residual assets of the Association will be distributed to the members or, as authorized by the members, a nonprofit organization with purposes similar to those of the Association, or to any other organization eligible under the laws of South Carolina.

**ARTICLE XII.
GENERAL PROVISIONS**

Section 1. **Seal.** The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof is hereby adopted as the corporate seal of the Association.

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Section 2. **Fiscal Year.** The fiscal year of the Association shall be the calendar year starting on January 1 and running through December 31.

Section 3. **Amendments.** The members of the Association may amend these Bylaws, repeal these Bylaws, and/or adopt new Bylaws at any regular or special meeting of the members pursuant to the then effective Bylaws of the Association. Any such amendment shall be prepared and executed by the President or Vice President on behalf of the Association and shall be certified and entered into the record book of the Association by the Secretary of the Association.

Section 4. **Definitions.** Except for the terms specifically defined herein, the definitions set forth in the Declaration shall apply to the capitalized terms used in these Bylaws.

Section 5. **Association Records and Audit.** The Association shall keep accurate records of all cash receipts and expenditures and all assets and liabilities. The Association shall make an annual income and expense statement and balance sheet available to all members of the Association at no charge and within seventy-five (75) days after the close of the fiscal year to which the information relates. A more extensive compilation, review, or audit of the Association's books and records for the current or immediately preceding fiscal year may be required by a vote of the majority of the Board of Directors or by the affirmative vote of a majority of the members of the Association present and voting in person or by proxy at any annual meeting or any special meeting duly called for that purpose.

This instrument, consisting of eleven (11) pages, is hereby approved, accepted and adopted by the undersigned as the Bylaws of Beach Club Town Homes Homeowners Association. In witness whereof, the initial Directors of the Association have executed this instrument, to be effective _____, 2012.

APPROVED – Members, Board of Directors:

Signature: Kenneth B. Huber
Kenneth B. Huber

Date: 5/15/12

Signature: Thomas J. Stanar
Thomas J. Stanar

Date: 5/14/2012

Signature: Harry Greco
Harry Greco

Date: 5/14/2012

APPROVED – At Special Members Meeting – validated by Board Members:

Signature: Thomas J. Stanar

Date: 5/25/2012

Signature: Kenneth B. Huber

Date: 5/25/2012