

**AMENDED AND RESTATED BYLAWS**

**OF**

**THE FOXWOOD HILLS PROPERTY OWNERS ASSOCIATION, INC.**

**(Rev. February 7, 2025)**

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**AMENDED AND RESTATED BYLAWS  
OF  
THE FOXWOOD HILLS PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I**

**AMENDMENT AND RESTATEMENT OF BYLAWS**

These Amended and Restated Bylaws of The Foxwood Hills Property Owners Association, Inc. supersede and replace in their entirety the Association's previous Bylaws and all amendments and supplements thereto, effective as of March 15, 2025.

**ARTICLE II**

**DEFINITIONS**

Section 1. Definitions. When used in these Bylaws, unless the context will prohibit or otherwise require, the following words, will have the meanings set forth below, and all definitions will be applicable to the singular and plural forms of such terms:

"Act" shall mean the South Carolina Nonprofit Corporation Act, South Carolina Code of Laws (1976), as amended, Section 33-31-101, et seq.

"Agent" shall mean any person or persons authorized to act on behalf of the Association, including the Board, an authorized Board member, the President of the Association, an authorized Officer, an authorized committee head or committee member, an authorized employee, the General Manager, the Association's attorney, and an independent contractor hired by and authorized by the Association. Authorization may be extended by the Board, any Board member authorized by the Board, the President, and the General Manager.

"Annual Infrastructure Assessment" shall have the meaning set forth in Article XV, Section 3.

"Annual Operational Assessment" shall have the meaning set forth in Article XV, Section 2.

"Articles of Incorporation" shall mean the Articles of Incorporation of the Association filed with the South Carolina Secretary of State, as amended.

"Assessment for Legal Fees and Costs" shall mean the amount payable to the Association as authorized in Article XV, Section 6 specific.

"Association" shall mean Foxwood Hills Property Owners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of South Carolina which shall operate in accordance with the Governing Documents for the benefit of the Members. Unless the Governing Documents or South Carolina law specifically provide otherwise, the Board may exercise the Association's rights and powers without a vote of the membership.

"Association Lien" shall have the meaning set forth in Article XV, Section 10.

"Bankruptcy Court Orders" shall mean that certain Order Granting in Part, and Denying in Part, Motion for Entry of Default Judgment entered on December 3, 2020 [ECF 139]; that certain Amended Order Granting Default Judgment Against the Returned Mail Defendants and the Doe, Roe and Stoe Defendants entered on February 18, 2021 [ECF 280]; and that certain [here include final order in Adversary Proceeding].

"Bankruptcy Case" shall mean the Chapter 11 reorganization bankruptcy case filed by Foxwood Hills Property Owners Association, inc. on May 8, 2020, designated as Case No. 20-02092-hb in the Bankruptcy Court. Upon substantial consummation of the Bankruptcy Plan (defined below), the Bankruptcy Court entered the Final Decree [EFC 417] closing the Chapter 11 case on December 29, 2021.

"Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of South Carolina.

"Bankruptcy Court Orders" shall mean that certain Order Granting in Part, and Denying in Part, Motion for Entry of Default Judgment entered by the Bankruptcy Court in Adversary Proceedings No. 20-800049-hb on December 3, 2020 [ECF 139]; that certain Amended Order Granting Default Judgment Against the Returned Mail Defendants and the Doe, Roe, and Stoe Defendants entered by the Bankruptcy Court in adversary Proceeding No. 20-80049-hb on February 18, 2021 [ECF280]; and other orders and judgements entered by the Bankruptcy Court in Adversary Proceedings No. 20-80049-hb adjudicating the issues therein, or approving settlement agreements between parties.

"Bankruptcy Plan" shall mean that certain Chapter 11 Plan of Reorganization filed by the Association on March 4, 2021, as amended, in its Chapter 11 bankruptcy case, Case No. 20-02092-hb in the United States Bankruptcy Court for the District of South Carolina.

"Board of Directors" or "Board" shall mean the board of directors then serving the Association, as specified in Article VIII, with individual members of the Board sometimes referred to as "Board Members" or "Directors".

"Bound Parties" shall have the meaning set forth in Article XVII, Section 1.

"Bylaws" shall mean these Amended and Restated Bylaws of the Association, as amended and modified from time to time in accordance with the terms hereof.

"Capital Reserve Recommendations" shall have the meaning set forth in Article XIV, Section 8.

"Claim" shall have the meaning set forth in Article XVII, Section 1.

"Claimant" shall have the meaning set forth in Article XVII, Section 2 (a).

"Common Properties" shall mean all real property owned by the Association for the common use and enjoyment of the Members.

"Community" shall mean the common-interest community known as "Foxwood Hills" situated with the Properties, including the Common Properties and the Lots.

"Cost of Collection" shall have the meaning set forth in Article XV, Section 9.

"Determination of Abandonment" shall have the meaning set forth in Article XX, Section 4.

"Director" shall mean any person then serving as a member of the Board of Directors.

"Emergency Assessment" shall mean the amount payable to the Association as authorized in Article XV, Section 5.

"Estimated Annual Facilities Expenditures" shall have the meaning set forth in Article XIV, Section 7.

"Estimated Annual Roadway Expenditures" shall have the meaning set forth in Article XIV, Section 6.

"Facilities Expenses" shall have the meaning the annual estimated maintenance, repair and replacement expenses required to be incurred by the Association in order to maintain the facilities located within the common properties in reasonable condition.

"General Manager" shall mean that individual employed by the Association, through the Board to serve as the chief operating officer of the Association and designated as the "General Manager"; however, that during any period that the Association does not have a full-time employee engaged to serve as the General Manager, a designee of the Board may serve in an interim capacity with authority to act as the General Manager.

"Governing Documents" shall mean the Restrictive Covenants, Articles of Incorporation, these Bylaws, the Rules and Regulations and Directives of the Board of Directors and Architectural Control Committee otherwise permitted by the Governing Documents applicable to each Lot.

"Guidelines" shall have the meaning set forth in Article XIX, Section 2.

"Infrastructure Budget" or Operating Budget

"Infrastructure Expenses" shall mean expenses for maintenance, repair and replacement of roads ("Roadway Maintenance Expenses") and maintenance, repair and replacement of facilities other than the roadways located within the Common Properties (the "Facilities Expenses", which collectively with the Roadway Expenses, shall be referred to as the "Infrastructure Expenses").

"Lot" shall mean any each numbered lot shown upon any recorded plat of any portion of

the Properties. This definition is to be read in consonance with and is not intended to conflict with but to incorporate the definition and use of the term "lot" in any restrictive covenants applicable to any portion of the Properties. This definition shall apply for purposes of determining dues, fees, and assessments owed by each Member, regardless of any process carried out with Oconee County that combines Lots for ad valorem tax purposes.

"Majority Vote of the Members" shall mean the affirmative vote of 50% + 1 of the votes represented and voting at a meeting of the Members duly called at which a quorum, 5% of eligible votes, are present.

"Member" shall mean any record owner of a Lot within the Properties and contract purchasers under installment land sales contracts recorded in the public records office for Oconee County, South Carolina, but excluding persons holding title merely as security for performance of an obligation. To the extent that a purchaser is deemed a Member based upon a recorded installment land sales contract, only the purchaser shall enjoy the rights of membership in the Association unless otherwise specified in the land sales contract and in no event shall the seller be entitled to utilize the facilities of the Association so long as the land sales contract is in effect and the purchaser is occupying the Lot.

"Member Arrearage" shall have the meaning set forth in Article XV, Section 9.

"Member in good standing" shall mean those Members who are current in the payment of their fees, dues, assessments and other amounts due the Association, and who are not otherwise in violation of any Governing Documents. Members shall have thirty (30) days after receipt of written notice from the Association of a delinquency or violation in which to cure the same before being considered not in good standing; however, if a Variance is requested during such 30-day period after notice of a violation has been received, the thirty (30) day cure period shall not commence until a final decision is made on the granting or denial of the Variance.

"Notice" shall have the meaning set forth in Article XVII, Section 2 (a).

"Officers" shall have the meaning set forth in Article XII, Section 1.

"Operational Budget" shall have the meaning set forth in Article XV, Section 2.

"Operational Expenses" shall have the meaning set forth in Article XV, Section 2.

"Plans" shall have the meaning set forth in Article XIX, Section 2.

"Project" shall have the meaning set forth in Article XIX, Section 2.

"Properties" shall mean those certain tracts of real property more fully described in the Exhibit A attached hereto, and such additions thereto as may be brought within the jurisdiction of the Association and subjected to the Governing Documents.

"Releasees" shall have the meaning set forth in Article XXI, Section 1.

"Respondent" shall have the meaning set forth in Article XVII, Section 2 (a).

"Restrictive Covenants" shall mean the restrictions filed of record for each section comprising the Properties, subject to Variances granted or to be granted and any Determination of Abandonment made by the Board.

"Roadway Maintenance Expenses" shall have the meaning set forth in Article XV, Section 3.

"Rules and Regulations" shall have the meaning set forth in Article X, Section 1.

"Section Committee" shall have the meaning set forth in Article XX, Section 3.

"Section Rules" shall have the meaning set forth in Article X, Section 1(1).

"Section Variance" shall have the meaning set forth in Article XX, Section 3.

"Section Variance Recommendation" shall have the meaning set forth in Article XX, Section 3.

"Special Assessment" shall mean the amount payable to the Association as authorized in governing documents in Article XV, Section 4.

"Special Majority Vote of the Members" shall mean the affirmative vote of at least two-thirds (2/3rds) of the votes represented and voting at a meeting of the Members duly called at which a quorum is present.

"Specific Assessment" shall mean the amount payable to the Association, per occurrence, as authorized in Article XV, Section 7. These amounts include fees that are set forth in the guidelines of the Architectural Control Committee related to construction activities on any Lot and User Fees.

"User Fees" shall have the meaning set forth in Article V, Section 9.

"Variances" shall have the meaning set forth in Article XX, Section 1.

"Variance Report" shall have the meaning set forth in Article XX, Section 3.

"Voting Materials" shall have the meaning set forth in Article XIII, Section 8.

### **ARTICLE III**

#### **LOCATION OF PRINCIPAL OFFICE**

Section 1. Principal Office. The principal office of the Association shall be located at 800 Hickory Trail, Westminster, South Carolina 29693, or any other location designated by the Board of Directors as the principal office.

## ARTICLE IV

### MEMBERSHIP

Section 1. Members. Every person who is a record owner of title or undivided interest in title to any Lot located within the Properties is declared a Member of the Association pursuant to the Bankruptcy Court Orders and shall be bound by the Governing Documents, including without limitation these Bylaws. So long as an ownership interest in a Lot is maintained, all obligations of each Member under the Governing Documents shall continue irrespective of any action by the Member, including without limitation the obligation to pay all fees, dues, assessments, and other amounts due to the Association as set forth in the Governing Documents. Members include contract purchasers under installment land sales contracts, but excluding persons holding title merely as security for performance of an obligation, shall be deemed Members of the Association.

Section 2. Compliance with Governing Documents. The rights of membership vested in each Member are subject to the obligation of each Member to comply with the terms of all Governing Documents. Such compliance is a necessary component of ownership of real property in a common-interest residential community for the protection of all Members and preservation of the quality of the residential community on a long-term basis.

Section 3. Suspension of Membership Rights. The membership rights of any Member, including without limitation the right to vote on any matter presented to the Members and the right to use any of the facilities located on the Common Properties, may be suspended by action of the Board during the period when the fees, dues, assessments and other amounts due the Association remain unpaid, but upon payment thereof, all membership rights shall be automatically restored. If the Board has adopted and published or otherwise disseminated Rules and Regulations for use, protection, and preservation of the Common Properties, the Board or its authorized agent may, in their discretion, suspend the rights of any such person for violation of the Rules and Regulations for a period to be set by Board. The scope of any suspension shall also be defined by the Board and may range from a suspension of all membership rights and privileges to suspension of the right to use a particular facility.

Section 4. Contact Information. All Members shall inform the Association in writing of the street address of their primary residence, a notice address for delivery of notices, and contact telephone numbers. E-mail addresses are optional but are strongly encouraged.

## ARTICLE V

### MEMBERSHIP CLASS AND VOTING RIGHTS

Section 1. One Class of Members. The Association shall have one (1) class of Members, with all record owners of Lots being deemed Members and entitled to one (1) vote for each Lot owned.

Section 2. Joint Ownership of Lots. When more than one (1) person holds an interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine based



upon a majority of the ownership interests unless otherwise agreed in writing, but in no event shall more than one (1) vote or a fraction of a vote be cast with respect to any such Lot.

## ARTICLE VI

### PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Use of Common Properties. Each Member, together with family members, and guests residing within the Member's household, shall be entitled to the use and enjoyment of the Common Properties that are available to the Members, subject to the Rules and Regulations that the Board prescribes from time to time. Any person who abuses the facilities or properties owned by or made available to the Members by the Association may be subject to loss of use thereof or use of all facilities located within the Common Properties. All Members shall adhere to and comply with all Governing Documents as a condition of use of the Common Properties. The Member shall be responsible for all matters related to the actions of all family members and guests residing within the Member's household.

Section 2. Use by Lessees. Any Member may delegate the Member's rights of use and enjoyment of the Common Properties to any tenant who resides therein under a leasehold interest as provided in Article XIX, Section 5.

Section 3. Guest Use. Any Member may obtain temporary daily guest privileges, limited to the number of temporary guests set forth in the Rules and Regulations, for those persons accompanying a Member (or family members of such Member entitled to utilize the facilities of the Association) in connection with use of any facilities of the Association. A Member may be permitted to more than the number of temporary guests set forth in the Rules and Regulations if prior approval of the General Manager is obtained. Temporary daily guest privileges may be subject to the payment of User Fees established by the Board from time to time. All temporary guests shall comply in all respects with the Governing Documents and shall be subject to disciplinary action in the same manner as a Member. The Member obtaining such temporary daily guest privileges shall be responsible for all matters related to the actions of such temporary guests.

## ARTICLE VII

### ASSOCIATION POWERS

Section 1. The Association shall have the power to do all things necessary or convenient to carry out its affairs as set forth in the Act; however,

(a) a Majority Vote, over 50% +1 of the votes cast of the Members shall be required to:

(1) acquire any real or personal property or interest therein if the expenditure exceeds twenty percent (20%) of the then current Operational Budget and Infrastructure Budget of the Association; or

(2) incur obligations outside the ordinary course of business, with or without providing security therefore, in excess of fifty percent (50%) of the then current

Operational Budget and Infrastructure Budget of the Association; and

(b) a Special Majority Vote of Members shall be required to sell or otherwise dispose of the clubhouse, maintenance building, pool, tennis courts, playground areas, comfort stations, pavilions located in the Newbury, Hatteras and Kinston Sections, or the guard station, including reasonable surrounding areas that support the ongoing use thereof.

## ARTICLE VIII

### BOARD OF DIRECTORS

Section 1. Composition. The affairs of the Association shall be managed by a Board of Directors consisting of seven (7) Directors. Directors must be Members, excluding Association employees and their immediate family members, none of whom are eligible to serve on the Board. The Board of Directors shall have control over and supervise the affairs and business transactions of the Association, including the setting of fees, dues, and assessments. Each Board Member will be elected by the Members to serve a three (3) year term, with the Board to have staggered terms. Board Members may only serve for two (2) consecutive terms. A Director may not serve more than seven (7) years in any ten (10) year period, whether by election or appointment. Board Members shall hold office until the election of their successors. Elections shall be held at the annual meeting of the Association required to be held by these Bylaws. In the event Board Membership of a total of seven (7) Directors is not achieved by election at the Annual Meeting, the vacancies in membership of the Board shall be filled by vote of the majority of the remaining Directors.

Section 2. Vacancies. Vacancies in the membership of the Board shall be filled by vote of the majority of the remaining Directors, with any such appointed Director to hold office until the next annual meeting, at which point that seat becomes vacant. If those appointees desire to remain on the Board, they must stand for election according to existing criteria. All vacant positions will then be filled in rank order according to the number of votes received, so that the rotation sequence is maintained. For instance, three (3) year term vacancies will be filled by candidates receiving the highest number of votes; two (2) year term vacancies next, then any one (1) year term vacancies, until all vacancies are filled. In the event of any tie vote, unless otherwise agreed among the nominees receiving such votes, the nominee that will fill the longest term shall be determined by the Member who has the longest tenure as an owner of a Lot.

Section 3. Removal of Directors by Members. At any meeting of the Members duly called for the purpose of removing one or more members of the Board specified in the notice of the meeting, any one or more of the members of the Board so specified may be removed, with cause, by a Majority Vote of the Members. A Director whose removal is being sought shall be given at least ten (10) days' notice of the calling of the meeting by the Board of Directors and shall be given an opportunity to be heard at the meeting.

Section 4. Removal of Directors by the Board. A majority vote of the Directors at a meeting at which a quorum is present may remove a Director (i) for being more than thirty (30) days delinquent in the payment of any fees, dues, assessments or other amounts due the Association after receipt of written notice from the Association of delinquency, (ii) for being in violation of any non-monetary obligation under the Governing Documents for more than thirty (30) days after receipt of written notice from the Association of such violation, (iii) after the

Director has missed three (3) consecutive regular Board meetings, (iv) the Director has been convicted of a felony (as defined by South Carolina law).

(a) A member of the Board of Directors may be reprimanded or censured by a majority of the Board for cause. The Director so reprimanded or censured will pay a fine in the amount of \$100.00 for the first offense, \$200.00 for the second offense, and \$500.00 for the third offense.

Section 5. Voluntary Service. All members of the Board shall serve without compensation or remuneration.

## ARTICLE IX

### ELECTION OF BOARD; ELECTION COMMITTEE

Section 1. Election by Ballot. Election to the Board shall be by written ballot as hereinafter provided in conjunction with the Annual Meeting of the Association. Nominees must be qualified to serve as Directors in accordance with Article VIII, Section 1. Each Member shall be entitled to cast as many votes for each Board vacancy as they are entitled to vote under the provisions of these Bylaws.

Section 2. Nominations. Nominations for election to the Board shall be made by the Election Committee based upon request for nomination received from Members in good standing for themselves or other Members in good standing who agreed to serve on the Board if elected. Requests for nominations shall be provided to the Election Committee at least ninety (90) days prior to the annual meeting date of the Association set forth in these Bylaws. Each request for nomination shall contain contact information of the Member as to whom nomination is requested and be accompanied by one (1) letter-size page containing reasonable background information relevant to such Member's qualifications to serve as a member of the Board. This background information shall be contained in the Voting Materials circulated to Members regarding such election or otherwise posted on the Association's website for all Members who are nominated by the Election Committee to stand for election to the Board. In preparation for each election, the Election Committee shall meet and make nominations for election to the Board based upon the requested nominations and background information that have been received in a timely manner by the Election Committee; however only Members in good standing as confirmed by the Election Committee and whose background information appears to be accurate in all material respects shall be nominated for election to the Board. If there are less nominees than the number of vacancies on the Board to be filled by the Members at such election, the Election Committee shall be responsible to recruit other Members who agree to serve on the Board if elected and include these Members in the nominations for election to the Board. Nominations for the Board as provided herein shall be submitted by the Election Committee to the Board no later than sixty (60) days before the earliest date set forth in these Bylaws for the annual meeting and the names of such nominees shall be placed on the written ballot to be utilized for the election of Directors as provided below.

Section 3. Form of Ballot. All elections of persons to serve on the Board shall be made utilizing written ballots in such form as required by these Bylaws and the Act, which shall:

- (a) include a description of the vacancies to be filled;
- (b) set forth the names of those nominated by the Election Committee;
- (c) contain a space for a write-in vote; and
- (d) authorize the Member to cast votes for each nominee or write-in candidate but limited to the number of votes equal to the number of vacancies to be filled by such election and not more than one (1) vote may be cast for any nominee.

If multiple Lots are owned by any Member, the Member shall be entitled to cast one (1) ballot for each Lot owned.

Section 4. Ballot Procedures. The procedures set forth in Article XIII with respect to voting by ballot shall be followed in connection with the election of Directors at each annual or special meeting of the Members. Only Members entitled to vote shall be entitled to submit ballots for the election of directors.

## **ARTICLE X**

### **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Power. The Board shall have the power:

- (a) To do those things enumerated in Article VII, Section 1 unless limited by express provisions of these Bylaws or reserved for Member consideration and action;
- (b) To call special meetings of the Members whenever it deems necessary with twenty (20) days' notice to the Members entitled to vote;
- (c) To appoint and remove at the pleasure of the Board, all Officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem appropriate; however, these Bylaws shall not be construed to prohibit the employment of any Member by the Association in any capacity whatsoever.
- (d) To explore alleged violations of the Governing Documents and to authorize initiation of legal proceedings to halt and correct any such violations in accordance with the terms of these Bylaws or as otherwise permitted by law;
- (e) To explore the acquisition of and to acquire real or personal property so long as the cost of acquisition does not exceed ten percent (10%) of the current Operational Budget and Infrastructure Budget of the Association; however, this limit shall not apply to costs associated with purchase needed to cover damage caused by casualty. This amount can be exceeded with membership vote. This power includes the power to bid upon and acquire properties at public foreclosure sales of the properties the Association has elected to foreclose its liens or assessments.
- (f) To promulgate and enforce traffic regulations and speed limits for all roadways within the Community and to impose fines for violations of said regulations and limits.

(g) To consider and implement maintenance, improvement, or expansion of Common Properties or facilities located thereon;

(h) To consider and implement any insurance coverage deemed necessary or appropriate to protect the Association and the Common Properties;

(i) To facilitate, through encouragement and support lounge and restaurant ventures;

(j) To exercise all rights set forth in the Governing Documents, including without limitation those rights related to enforcement of the Governing Documents and protection of the Community;

(k) To hire security personnel to maintain the peace, to protect property and property owners, to warn of restrictive covenant violations, to enforce traffic regulations and speed limits on Association roads, to issue tickets for violations of traffic regulations and speed limits and to do all things permitted by South Carolina law of security personnel including effecting arrests;

(l) To adopt and publish rules and regulations (the "Rules and Regulations") governing the use, protection, and preservation of the Common Properties, the Lots and any other property located within the Community; however, Rules and Regulations applicable solely to individual Sections of the Community ("Section Rules") may be established from time to time by the Board, subject to approval by a Special Majority Vote of the Members owning Lots in a such Section (with such approval to be obtained by following the same procedures for calling a special meeting and voting but limited to such Members that are otherwise required for meetings of the Members at large). Anything to the contrary set forth above in this Section 2 notwithstanding, to the extent that the Bankruptcy Plan contains a description of use restrictions that constitute specific Section Rules, such Section Rules shall be deemed adopted by the Board without any further action by the Members of such Section.

(m) To establish and charge User Fees for the use of any particular facility or service in accordance with Article XV, Section 8;

(n) To rent space and enter into contracts with third parties to further restaurant and lounge ventures within the clubhouse;

(o) To undertake all additional activities deemed necessary or appropriate to fulfill the Association's responsibility to manage the affairs of the Community for the protection and benefit of the Members.

Section 2. Duties. It shall be the duty of the Board:

(a) Except in the case of emergency or involving matters beyond the reasonable control of the Association, the Board shall not permit the Association to make expenditures which are the subject of the Annual Operational Budget for any fiscal year to exceed the amount of any applicable Annual Operational Budget by more than ten percent (10%) of the total amount set forth in such Annual Operational Budget without approval from a Majority of the Members.

Section 3. Duties. It shall be the duty of the Board:

- (a) To cause to be kept reasonable records of all its acts and corporate affairs;
- (b) To prepare minutes of all Board meetings and record the vote of the members of the Board; however, minutes of Board meetings in executive session shall remain confidential to the full extent permitted by the Act.
- (c) To provide oversight as to the performance of all obligations of all Officers, the General Manager, employees and agents of the Association;
- (d) To fix the amount of any fees, dues, or assessments imposed on the Members by such methods provided in these Bylaws not less than thirty (30) days in advance of the date on which said fees, dues, or assessments are imposed;
- (e) To prepare a roster, limited to names, section and lot number and address of the ownership of Lots, and fees, dues and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Member upon five (5) business days written notice by said Member, subject to the limitations on member information set forth in the Act. Each request for roster must include reason for such request.
- (f) To send written notices of all fees, dues, assessments, and other amounts due to the Association to the Members and other persons obligated therefore;
- (g) To issue to any requesting Member, within five (5) business days after written request is received from such Member, a document setting forth whether the fees, dues, assessments, and other amounts due to the Association by the requesting Member have been paid, which such document may be relied upon as evidence of payment or lack of payment of all fees, dues, assessments, and other amounts due to the Association as therein stated;
- (h) To settle matters in dispute on such terms as deemed appropriate and waive amounts due to the Association when it does not appear economically beneficial for the Association to pursue the matter further;
- (i) To indemnify any Director, Officer or committee member, or former Director, Officer or committee member of the Association to the extent such indemnity is required by these Bylaws, the Act or otherwise by South Carolina law; and
- (j) To undertake all additional activities deemed necessary or appropriate by the Board to cause the Association to discharge its duties and obligations to the Members as set forth in the Governing Documents or required by the Act, subject to any required approval of the Members as set forth in these Bylaws or the Act.

Section 3. Conflicts of Interest. Unless otherwise approved by a majority of the disinterested Directors, no Director may transact business with the Association or any Association contractor during his or her term as a Director or within two (2) years after the term expires. A Director shall promptly disclose to the Board any relationship that the Director may have, financial or otherwise, with any contractor or vendor doing business or proposing to do business with the Association (including without limitation any compensation or other benefits received or anticipated to be received) and any other actual or potential conflict of interest affecting the Director relative to his or her performance as a director. Directors shall not engage in any business or conduct that is in conflict with the best interests of the Association.

## ARTICLE XI

### BOARD MEETING

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall be held without other notice than this Bylaw provision immediately after, and at the same location as the annual meeting of the Members.

Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly and as otherwise deemed necessary.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the presiding Member of the Board, the President or at least three (3) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any reasonable location within the Properties as the place for holding any special meeting of the Board of Directors called by them; however, such location must permit attendance by telecommunications.

Special meetings of the Board of Directors shall be limited to the specific subject(s) for which the special meeting was called.

Section 4. Attendance by Telecommunications. Directors are permitted to participate in regular or special meetings of the Board through the use of any means of communication by which Directors participating may hear each other simultaneously during the meeting. A Director participating in the meeting by this means is deemed to be present in person at the meeting. Facilities provided for all meetings of Directors shall contain telecommunications devices that permit remote attendance by Directors

Section 5. Notice. Notice of any special meeting shall be given to each Director at least three (3) days prior to the meeting. Notice of the regular meetings shall be given to each Director at least seven (7) days prior to the meeting. Notification shall be provided by email to each Director and posted on the Community bulletin boards, electronic media, and other means deemed appropriate by the Board.

Section 6. Quorum. The presence of four (4) Directors shall constitute a quorum for the transaction of any business at any meeting of the Board of Directors.

Section 7. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Executive Session. The Board may adjourn any Board Meeting and reconvene in executive session, and restrict attendance to other persons as the Board may specifically invite by announcement during the open portion of the meeting, in any instance where discussion or announcement of a particular topic could adversely affect the Association's ability to pursue a particular matter or result in dissemination of information to parties with interests adverse to those of the Association. Executive Sessions may only be used for consideration, discussion, and action with regard to legal issues, issues related to litigation, employee performance, evaluations and compensation issues, contract negotiations, and security matters. Executive Sessions may be utilized for initial recommendations related to the feasibility of the acquisition or disposition of properties, but once a determination is made that the Board will consider such acquisitions or dispositions, no further consideration, discussion or action by the Board shall be made in Executive Session except related to specific terms constituting contract negotiations.

## ARTICLE XII

### OFFICERS

Section 1. Officers. The Officers of the Association shall be a President, Vice President, Secretary, Treasurer, and any other officers deemed necessary or appropriate by the Board (collectively, the "Officers"). The Secretary and Treasurer are not required to be members of the Board.

Section 2. Selection. The Officers shall be chosen by the majority vote of the Directors at the annual meeting of the Board for a term of one (1) year.

Section 3. Terms. All Officers shall hold office at the pleasure of the Board.

Section 4. President. The President shall be charged with focusing upon and guiding the Board concerning the future needs of the Association including but not limited to acquisitions, improvements, building projects, expansion and remodeling of existing facilities within the Common Properties, Community growth, and shall be ex officio of all committees until such time as Board liaisons are appointed by the Board, which liaisons shall then serve in an ex officio capacity on each committee. The President shall have the ability to delegate responsibilities to a person who shall, subject to the limitations imposed by the Board from time to time, supervise the day-to-day operations of the Association (the "General Manager") in such manner as the President sees fit. The President is authorized to sign all agreements including real estate transactional documents.

Section 5. Vice President. The Vice President will carry out the duties of the president whenever the President is unable or otherwise prohibited from carrying his or her duties and attend to such additional matters as requested by the Board from time to time. The Vice President will act as the chairperson for the Advisory Committee.

Section 6. Secretary. The Secretary shall be responsible for the recording of Board votes and the preparation of the minutes of all meetings and other proceedings of the Board and the



Members. The Secretary shall also be responsible for custody of the minutes of all meetings and authenticating the records of the Association required to be maintained by the Act, including a list of the names and addresses of all Members and other contact information provided by such Members. Member names, phone numbers, and mailing and email addresses shall not be available to the general public.

Section 7. Treasurer. The Treasurer shall be the financial liaison to the Board of Directors, the Budget Committee, the General Manager, the Association's accounting firm and any outside management company providing services to the Association. The Treasurer will review and approve all invoices and disbursements. All invoices for disbursement shall be retained for future reference and audit. All invoices will be dated and signed by the person authorizing payment. Checks for disbursements of any amount over \$500 that are not included in the approved annual budget, shall be approved by the Treasurer or another Board Member, but other than the person authorizing the expense. Bank reconciliations shall be accomplished monthly, and each reconciliation shall be dated and signed by the treasurer. All disbursements, including but not limited to, debit cards, auto drafts and other electronic disbursements will be a part of the monthly reconciliation that the Treasurer will review and approve. Any payment requiring a contract or disbursement over the amount of \$2,000, unless conducted within the purposes of the adopted yearly budget, will be approved by the Board of Directors prior to disbursement. Deposits of Association funds will be managed by the General Manager or entities authorized by the Association and will be deposited and recorded according to standard accounting practice and reviewed by the Treasurer at least monthly.

The Treasurer or designee of the Treasurer shall be responsible for ensuring the keeping of proper books of account and causing an annual audit of the Association books to be made by an accounting firm within ninety (90) days of the completion of each fiscal year. The Treasurer shall review and provide comments to the Board on the annual financial statements of the Association and each Operational Budget and Infrastructure Budget proposed by the Budget Committee.

## **ARTICLE XIII**

### **MEETING OF MEMBERS**

Section 1. Annual Meetings. The annual meetings of Members shall be held on the third Saturday in March of each year or as soon thereafter as the Board deems appropriate at such time and place as designated by the Board; however, the annual meeting shall in any event be held before the commencement of the Association's fiscal year.

Section 2. Special Meetings. Special meetings of Members may be called at any time by the President or by the Board of Directors, or on written request of at least five percent (5%) of the Members entitle to vote.

Section 3. Notice of Meetings. Written notice of each meeting of Members shall be given by or at the direction of the Secretary or other person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least twenty (20) days, but not more than fifty (50) days, before such meeting to each member entitled to vote at such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of receiving notice. Such notice shall specify the day, hour, and place of the meeting and in case of a special meeting the purpose of meeting.

Section 4. Quorum. Unless otherwise required by these Bylaws or applicable law, a quorum shall be represented by Ten (10%) percent of the votes entitled to be cast on a matter.

Section 5. Proxies. At all meetings of Members, each Member entitled to vote may vote in person or by proxy. Proxies shall be revocable, and any proxy shall automatically terminate as to any vote attributed to any Lot conveyed by the Member granting the proxy, or the death or judicially declared incompetence of a Member who is a natural person. Every proxy authorized hereunder shall be in writing, shall identify the person or persons entitled to vote for the Member at the applicable meeting and the Lot for which it is given, shall be signed by the Member or the Member's duly authorized attorney-in-fact, and shall be dated and submitted to the Association for filing with the chair of the Election Committee at least the day before the meeting for which it is to be effective. The Board shall accept proxies filed in person or submitted by mail, facsimile transmission or other electronic means, provided they are signed and there is no reason to question the validity of the proxy. Unless the proxy specifically provided otherwise, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Any proxy not dated shall be deemed dated the day of receipt by the Association.

Section 6. Election to Receive Notices and other Materials Electronically. Members may elect to receive all notices and other materials required to be provided by these Bylaws or the Act electronically, including possibly ballots for the election of directors if a determination is made to send such ballots electronically. Such electing Members must complete an election form provided by the Association and deliver the form to the Association administration office. Said election to receive notices and other materials electronically shall be effective upon receipt by the Association. Once a Member has made such election, the Association shall be permitted to provide all required notices and other materials to such Members electronically to the email address set forth in each election form (as modified by such electing Member from time to time) or provide a summary notice electronically that describes the notice and other materials being sent to the Members and contains the electronic location whereby the actual notice and other materials required to be provided by these Bylaws or the Act may be viewed. If an election is made to receive notices and other materials electronically, all electronic notices shall be deemed to be "written notices" and "mailed" when sent electronically to all Members who have made the election described above and all such Members shall be deemed to have waived any objection as to the giving of notice only electronically.

Section 7. Ballot Procedure. Any action that may be taken at any annual or special meeting of Members, except a vote to remove a Director under Article VIII, Section 3 or otherwise provided by the Act, may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter in accordance with the requirements of this Section

7. All such votes shall be taken by written ballot and the information contained on each ballot shall be kept confidential to the fullest extent practicable.

(a) All ballots shall be in writing, set forth each proposed action to be voted upon, and provide an opportunity to vote for or against each proposed action (except in the case of voting for the election of Directors).

(b) Approval by written ballot pursuant to this Section 7 is valid only when the number of votes cast by written ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) The Voting Materials shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; and specify the time by which a ballot must be received by the Association in order to be counted.

(d) Once submitted, a ballot may not be revoked by the submitting Member.

(e) Procedures for voting by ballot shall be established by the Board from time to time, which may direct that only written ballots be mailed to Members entitled to vote and then requiring the submission by such Member on the same ballot form, as opposed to also allowing electronic submission. Unless prohibited on the face of the ballot, ballots submitted by facsimile transmission or electronically shall be accepted if properly completed and there is no reason to question the validity of the ballot.

Section 8. Ballot Materials and Mailing. A written notice of voting by ballot with a description of each matter to be voted upon, a ballot form and other information deemed appropriate by the Board related to the submission of ballots (collectively, the "Voting Materials") shall be mailed to all Members entitled to vote not less than thirty (30) days, nor more than fifty (50) days before the date established by the Board for counting votes. The Voting Materials shall be deemed "mailed" when the Voting Materials are deposited in the United States Mail, with appropriate and necessary postage affixed, addressed to each Member at his or her address as it appears on the Association records, or provided electronically to the email addresses provided in an election form permitting delivery of the Voting Materials electronically. Members shall cast their votes by marking and returning the ballots as instructed in the Voting Materials.

Section 9. Counting of Votes Submitted by Ballots. Ballots marked and returned in accordance with instructions shall be counted, and totals certified, by either (i) the Election Committee or Members selected by the Election Committee not currently serving on the Board; however, one (1) or more independent observers may be appointed by the Election Committee in its discretion based upon the request of any Member so long as the requesting Member agrees to bear all costs of such independent observer(s); or (ii) at the option of the Board, an independent

accounting firm. A written ballot may not be revoked after it is submitted. The party responsible for counting of ballots shall undertake reasonable procedures to preserve the confidentiality of the ballots to the extent practicable and provide a written report of the voting results to the Board with reasonable diligence, which shall include the number of ballots submitted and the result of the vote on each action presented. No ballot submitted by a Member not entitled to vote shall be counted for any purpose.

## **ARTICLE XIV**

### **COMMITTEES**

Section 1. Standing Committees. Standing committees of the Association shall be the following:

- (a) Architectural Control Committee
- (b) Election Committee
- (c) Budget Committee
- (d) Roadway Committee
- (e) Facilities Committee
- (f) Capital Reserves Committee

Unless otherwise provided herein, each committee shall consist of a chairperson and two (2) or more members and shall include a member of the Board of Directors as a Board liaison. All chairpersons of the committees shall be appointed by the Board of Directors at the Board meeting following the annual membership meeting to serve terms from the close of such annual meeting until the close of the next annual meeting, but subject to the will of the Board. Each such appointment shall be announced at the subject Board meeting. Each chairperson shall be responsible for selection and appointment committee members for said committee. All committee members shall be Members in good standing.

Section 2. Architectural Control Committee. The Architectural Control Committee shall consider all Plans submitted by a Member for improvements be made to the Lot of the Member, including new construction, erection, alteration, modification, addition, or placement of any improvements on any Lot. All Members shall submit to the Architectural Control Committee their Plans and Committee approval or disapproval. The Architectural Control Committee shall also assist the Board in enforcing the Restrictive Covenants and discharging other functions specified in Article, XIX, Section 2, and Article XX.

Section 3. Election Committee. The Election Committee shall make nominations for election to the Board in accordance with Article IX, Section 2 and provide such additional services as required by the Board in connection with the election of Directors at each annual meeting of the Members and other matters to be voted upon by the Members.

Section 4. Budget Committee. The Budget Committee shall:

(a) Prepare a preliminary annual Operational Budget for submission to the Board. The Operational Budget must consist of (i) estimated Operational Expenses for the upcoming fiscal year, which will be established in consultation with the General Manager, the Board, the Officers and senior employees of the Association; and (ii) reserves to assist with payment of future expenditures of a material nature anticipated to be incurred by the Association. The Operational Budget shall take into consideration all sources of income anticipated to be available to the Association for Operational Expenses, including reserves earmarked for such expenditures.

(b) Prepare a preliminary annual Infrastructure Budget for submission to the Board. The Infrastructure Budget must consist of (i) estimated maintenance, repair and replacement expenses for the upcoming fiscal year related to the roadways within the Community based upon the Estimated Annual Roadway Expenditures provided by the Roadway Committee as to such costs, (ii) estimated maintenance, repair and replacement expenses for the upcoming fiscal year related to all facilities located within the Common Properties based upon the Estimated Annual Facilities Expenditures provided by the Facilities Committee as to such costs, and (iii) recommended reserves to be set aside future expenditures and contingencies of the Association based upon the Capital Reserve Recommendations provided by the Capital Reserves Committee. The Infrastructure Budget shall take into consideration all sources of income anticipated to be available to the Association for Infrastructure Expenses, including reserves earmarked for such expenditures.

(c) Aid in the annual audit of the Association's financial condition in such ways as may be requested by the Association's auditor.

Section 5. Roadway Committee. The Roadway Committee shall be responsible for preparing an estimate of the annual estimated maintenance, repair and replacement expenses required to be incurred by the Association in order to maintain the roadways and related drainage within the Community in serviceable condition (the "Estimated Annual Roadway Expenditures") and submit the same to the Budget Committee in a timely manner in connection with the preparation of the Annual Infrastructure Budget. The Roadway Committee shall also (i) make recommendations to the Capital Reserves Committee as to reserves that should be considered with respect to the Roadways and related drainage based upon the useful lives of the components thereof and the expenditures that may be required in future years; and (ii) as deemed appropriate, monitor all roadway projects approved by the Board and report to the Board as to deficiencies that are observed with respect to work undertaken on any specific project.

Section 6. Facilities Committee. The Facilities Committee shall be responsible for preparing an estimate of the annual estimated maintenance, repair and replacement expenses required to be incurred by the Association in order to maintain the facilities located within the common Properties in reasonable condition (the "Estimated Annual Facilities Expenditures") and submit the same to the Budget Committee in a timely manner in connection with the preparation of the Annual Infrastructure Budget. The Facilities Committee shall also (i) make recommendations to the Capital Reserves Committee as to reserves that should be considered with respect to the facilities located within the Common Properties based upon the useful lives of the components thereof and the expenditures that may be required in future years; and (ii) as deemed

appropriate, monitor all facilities improvement projects approved by the Board and report to the Board as to deficiencies that are observed with respect to work undertaken on any specific project.

Section 7. Capital Reserves Committee. The Capital Reserves Committee shall annually review information provided by the Facilities Committee and the Roadway Committee regarding recommendations as to reserves for the roadways and facilities of the Association, as well as undertake any capital reserve studies deemed appropriate and conduct visual inspection of all such roadways and facilities, and provide recommendations as to appropriate reserves that should be considered by the Budget Committee (the "Capital Reserve Recommendations"). If the Committee is unable to ascertain equipment or structural conditions, the Committee may hire qualified inspectors with Board approval. Based on reserve studies, ongoing inspections, and Community interest, the Capital Reserves Committee will make recommendations to appropriate committees and the Board related to maintenance and replacement schedules.

Section 8. Additional Committees. The Board of Directors, may, in its discretion, establish additional committees whose terms and membership will be determined by the Board of Directors. However, except as expressly authorized by these Bylaws, only Members may serve on committees.

## ARTICLE XV

### FEES, DUES AND ASSESSMENTS

Section 1. Power to Charge and Collect Fees, Dues and Assessments. The Association shall be empowered to charge, impose and collect all fees, dues, assessments, and other amounts due to the Association as authorized by the Governing Documents. Unless otherwise specified, all assessments levied against Members shall be made on a per Lot basis in accordance with the most current approved Operational Budget and Infrastructure Budget, but with reasonable increases in the per Lot amounts based upon the Board's estimate of delinquencies. Irrespective of the foregoing, to the extent that agreements of any nature exist as of the effective date of these Bylaws with the Association that permit a reduction in assessments or other amounts levied against specified Lots if more than one Lot is owned by a Member, such agreements shall continue to be honored but only so long as each current Member owns all applicable Lots unless otherwise required by applicable law; and (B) the Board may enter into new agreements with any existing or future Member with respect to an adjoining Lot that reduces the per Lot assessments generally levied against an adjoining Lot by up to fifty percent (50%) on such terms as deemed appropriate by the Board; provided, however that if any amount due the Association by the Member who has entered into any such adjoining lot agreement has not been paid within thirty (30) days after written notice of delinquency has been provided to such Member, the Board may terminate the adjoining lot agreement.

Section 2. Annual Operational Assessment. The Association is empowered to impose on all Members an annual operating assessment (the "Annual Operational Assessment") for the payment of all expenses anticipated to be incurred by the Association in connection with day-to-day operation of the Association, including performance of the Association's duties and exercising its authority under the Governing Documents but excluding expenditures contemplated by the Infrastructure Budget (collectively, the "Operational Expenses"). The Annual Operational Assessment shall be established by the Board based upon (A) the Operational Expenses estimated

to be incurred in the annual operational budget of the Association (the "Operational Budget") prepared with the assistance of the Budget Committee and approved by the Board and a Majority Vote of the Members in conjunction with the annual meeting of the Members plus (B) the Board's estimate of delinquencies that will be experienced with respect to collection of the Annual Operating Assessment from Members. All monies so collected shall be deposited into the operating account of the Association. To the extent that the Annual Operating Assessment and the Annual Infrastructure Assessment are not fully collected from any Member, the lesser amount shall be applied to the respective assessments based upon the ratio which each annual assessment bears to the sum of the two assessments.

In the event a Majority Vote of the Members is not received for approval of the Operational Budget in conjunction with the annual meeting of the Members, the Board shall continue to utilize the most recently approved Operational Budget for purposes of establishing the Annual Operating Assessment; however, a special meeting of the Members may be called subsequent to the Annual Meeting to approve a revised Operational Budget and if approved by a Majority Vote of the Members, a supplement to the Annual Operating Assessment may be assessed based upon the increase in the approved Operational Budget over the Operational Budget previously approved. If no Operational Budget was previously approved, the items otherwise contained in the most recently approved annual budget which would have been utilized for the Operational Budget will be utilized by the Board to establish a pro forma approved Operational Budget.

Section 3. Annual Infrastructure Assessment. The Association is empowered to impose on all Members an annual infrastructure assessment (the "Annual Infrastructure Assessment") for maintenance, repair and replacement of roads ("Roadway Maintenance Expenses") and maintenance, repair and replacement of facilities other than the roadways located within the Common Properties (the "Facilities Expenses", which collectively with the Roadway Expenses, shall be referred to as the "Infrastructure Expenses"). The Annual Infrastructure Assessment shall be established by the Board based upon (A) the Infrastructure Expenses estimated to be incurred in the annual infrastructure budget of the Association (the "Infrastructure Budget") prepared with the assistance of the Budget Committee and approved by the Board and a Majority Vote of the Members in conjunction with the annual meeting of the Members; and (B) the Board's estimate of delinquencies that will be experienced with respect to collection of the Annual Infrastructure Assessment from Members. In any event, the Annual Infrastructure Assessment must equal or exceed fifteen percent (15%) of the Annual Operational Budget, with sixty-seven percent (67%) of the amount collected to be set aside for roadway maintenance and repair and thirty-three percent (33%) of the amount collected to be set aside for facilities other than roadways located within the Common Properties. All amounts so collected from the Annual Infrastructure Assessment shall be deposited into two (2) separate bank accounts, one maintained by the Association for roadway maintenance and the other maintained for facilities other than roadways located within the Common Properties. Deposits shall be made into such accounts in the ratio which the Roadway Maintenance Expenses and the Facilities Expenses contained in the Infrastructure Budget bear to the sum of both amounts. Also, to the extent that any surplus in excess of ten percent (10%) of the approved Operational Budget exists at the end of any fiscal year of the Association after making expenditures for matters included in such Operational Budget, such surplus shall be transferred to the bank account maintained by the Association for Roadway Maintenance Expenses.

In the event a Majority Vote of the Members is not received for approval of the Infrastructure Budget in conjunction with the annual meeting of the Members, the Board shall continue to utilize the most recently approved Infrastructure Budget for purposes of establishing

the Annual Operating Assessment; however, a special meeting of the Members may be called subsequent to the Annual Meeting to approve a revised Infrastructure Budget and if approved by a Majority Vote of the Members, a supplement to the Annual Infrastructure Assessment may be assessed against the Members based upon the increase in the approved Infrastructure Budget over the Infrastructure Budget previously approved. If no Infrastructure Budget was previously approved, the items otherwise contained in the most recently approved annual budget which would have been utilized for the Infrastructure Budget will be utilized by the Board to establish a pro forma approved Infrastructure Budget.

Section 4. Special Assessments. The Association is empowered to impose on all Members a Special Assessment to pay amounts that are non-routine, unanticipated, or in excess of those anticipated in the applicable budget. Except as otherwise specifically provided in these Bylaws, each Special Assessment shall be subject to approval by a Majority Vote of 50% +1 of the voting-Members before levy.

Section 5. Emergency Assessments. The Association is also empowered to impose and collect Emergency Assessments from the Members, but Emergency Assessments shall be imposed by the Board only in response to destruction from catastrophic events, manmade or natural, and for significant maintenance needs of an emergency nature.

Section 6. Assessments for Legal Fees and Costs. When a legal proceeding or legal action is undertaken by the Association in any capacity with the approval of the Board, including defending against claims of Members or third parties, the Association is empowered, before, during or after such proceeding or action, to assess the Members for all attorney fees and costs incurred with respect thereto.

Section 7. Specific Assessments. The Association is empowered to impose and collect Specific Assessments from Members in the form of the fees charged for the various activities, including without limitation, the activities set forth below. The Specific Assessments shall be established and shall be subject to change from time to time by the Board. Specific Assessments related to construction matters shall be posted in the Guidelines of the Architectural Control Committee. Failure to pay Specific Assessments will result in a denial or withdrawal of any permit or approval requested, or preclude utilization of any particular facility or service or participation in any Association sponsored event as to which a User Fee is applicable.

Non-Refundable Fees: (Refer to Current ACC Guidelines)

- Lot Construction with heavy equipment
- New Construction or Addition to Structure
- Manufactured (Mfg.) Home Placement
- Driveway - Using Five (5) Ton Truck
- Removal of abandoned, deteriorated, or dangerous structure or property

Refundable Permit Fees: (Refer to Current ACC Guidelines)

- Houses
- Mfg. Homes
- RV Placement



Section 8. User Fees. The Board may charge use, consumption, or activity fees (collectively, "User Fees") to any person using particular facilities or services provided by the Association or for participating in Association sponsored activities. The Board may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (e.g., Members, family members and guests).

Section 9. Credit Card Charges. To the extent any Member elects to pay any amounts due the Association by use of a credit card that has fees charged or deducted for accepting such payment, the Association may add to the credit card payment made by the Member a reasonable amount as a convenience fee, but not to exceed the Association Merchant Fee.

Section 10. Installment Arrangements. The Board, in its discretion, may permit Members to pay assessments and other amounts owed to the Association on an installment basis on such terms and conditions as the Board deems appropriate, including charging interest at such a rate as may be specified or not charging interest; provided, however that member who own ten (10) Lots or more shall not be granted any installment privileges because of the administrative burdens created for the Association. All such installment arrangements with Members shall be set forth in writing by the Board and failure to pay any installment obligation when due or within ten (10) days thereafter shall entitle the Board to demand immediate payment in full of any balance then owed under the installment arrangement and pursue all other remedies set forth in these Bylaws for non-payment of assessments.

Section 11. Nonpayment of Amounts Owed to the Association; Liens and Remedies of the Association. If any fees, dues, assessments or other amounts due and owing to the Association by any Member, including any applicable installments thereof, are not paid when due and such delinquency continues for a period of more than thirty (30) days, a late charge in an amount as the Board may from time to time establish, shall also be assessed against the Member based on a percentage of the delinquent amount. After such 30-day period, the delinquent amount shall also bear interest at the per annum rate of twelve percent (12%) or as determined by the Board until paid in full. The foregoing amount shall be due and payable without notice or demand and shall constitute a "Member Arrearage". In addition, the Member shall be responsible for all costs of collection, including, without limitation, collection agency fees actually incurred, attorney's fees and costs actually incurred, and any other amounts provided or permitted by law (collectively, the "Costs of Collection"). The right to recover attorneys' fees and costs as part of the Costs of Collection shall be deemed a contractual provision permitting the Association to be reimbursed for all attorney fees and costs incurred related to the collection of any Member Arrearage.

Section 12. Liens and Remedies of the Association; No Exemptions. The Association shall have an equitable charge and a continuing lien (the "Association Lien") against each Lot of any delinquent Member to secure payment of all Member Arrearages and Costs of Collection. The Association Lien shall be superior to all other liens, except: (i) the liens of all real estate taxes and other governmental assessments or charges; and (ii) the lien or charge of any mortgage made in good faith and for value having first priority over any other mortgages on each Lot and recorded prior to the amount in question becoming a Member Arrearage. Each Member will be personally liable for all amounts due to the Association as provided in these Bylaws while the owner of any Lot, and any grantee will take title to such Lot subject to the Association Lien, but without prejudice to the rights of such grantee to recover from the grantor any amounts paid by such grantee relating to any period prior to the grantee's ownership of the Lot.

Although no further action is required to create or perfect the Association Lien, the Association may, as further evidence and notice of the Association Lien, execute and record a document setting forth the Member Arrearage due to the Association as of the date stated in such document and recite that the Association Lien secures the repayment of the Member Arrearage and the Costs of Collection.

If the Member Arrearage remains unpaid for more than sixty (60) days after written demand for payment of the Member Arrearage is provided by the Association to the delinquent Member, the Association may, as the Board shall determine, institute suit to collect such amounts and/or to foreclose the Association Lien. Each Member vests in the Association or its agents the right and power to bring all actions against the delinquent Member personally for the collection of the Member Arrearage, Attorneys' Fees and Costs of Collection as a debt or to foreclose the aforesaid lien in the same manner as other real property liens. The Association shall have the power to bid on any Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey any Lot acquired in a judicial proceeding or otherwise and may accept a deed in lieu of foreclosure to any Lot on such terms as agreed by the Association.

No Member may waive or otherwise exempt himself from liability for the fees, dues, assessments and other amounts due the Association under the Governing Documents, including, but not limited to, abandonment of any Lot or withdrawal or resignation as a Member. No diminution or abatement of any fees, dues, and assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under the Governing Documents, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay fees, dues, assessments and other amounts provided for herein being a separate and independent covenant on the part of each Member.

## **ARTICLE XVI**

### **COLLECTION ACTIONS AND ENFORCEMENT ACTIONS**

Section 1. Collection Actions. Should efforts on the part of the Association to collect a Member Arrearage from a delinquent Member, such as collection agencies, liens, letters, the accrual of interest, and suspension of membership, fail, then the Association may as determined by the Board bring a collection action for recovery of the Member Arrearage, Attorneys' Fees and Costs of Collection in any court having jurisdiction, including any court located in Oconee County, South Carolina.

Section 2. Enforcement Actions. Should the Association have to resort to seeking a mandatory or prohibitory injunction for Member's violation of the Governing Documents and should the Association succeed in obtaining such mandatory or prohibitory injunction, the enjoined Member shall reimburse the Association for all attorney fees and costs incurred by the Association. This provision shall be deemed a contractual provision permitting the Association to be reimbursed for all attorney fees and costs. The Association shall only be liable for attorney fees and costs of a defendant Member if there is a judicial determination that the enforcement action was pursued in bad faith.

Section 3. Litigation to Resolve Disputes. Subject to Article XVII, should litigation be commenced by the Association or by any Member against the Association to resolve any dispute involving the Association unrelated to the matters set forth in Article XVI, Section 1 or Section 2, in the event the Association prevails, the Association shall be entitled to recover from the member reasonable legal fees and costs related to such litigation. The "prevailing party" means the party determined by the court to have most nearly prevailed, even if such party did not prevail in all matters, not necessarily the one in whose favor a judgment is rendered.

## ARTICLE XVII

### **ALTERNATE DISPUTE RESOLUTION AGREEMENT; JURY TRIAL WAIVER**

Section 1. Scope of Agreement as to Alternate Dispute Resolution. The Association and the Members (collectively, "Bound Parties"), acknowledge that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving or related to the Properties or the Governing Documents without the emotional and financial costs of litigation. Accordingly, no Bound Party shall file suit in any court with respect to a Claim (as defined below) unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Article XVII, Section 2 below in a good faith effort to resolve such Claim.

As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to:

- (1) The interpretation, application, or enforcement of the Governing Documents: or
- (2) The rights, obligations and duties of any Bound Party under the Governing Documents; or the design or construction of improvements upon any Lot, other than matters of aesthetic judgement, which shall not be subject to review and shall not be subject to this Article.

Notwithstanding the above, the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 2 below:

- (1) any suit by the Association to collect any amounts, including, but not limited to, dues, assessments, fines, or special assessments or other amounts due from any Member;
- (2) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to

maintain the status quo and preserve the Association's ability to enforce the provisions of the Governing Documents; and

- (3) any suit by the Association to enforce the Governing Documents where the Association has given the violator notice and opportunity for a hearing and grace period to cure the violation (except in an emergency situation) prior to the Association filing suit.

Section 2. Dispute Resolution Procedures. The procedures for Alternate Dispute Resolution are as follows:

(a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent and to the Board, stating plainly and concisely:

- (1) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim; and
- (2) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises); and the Claimant's proposed resolution or remedy; and
- (3) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) Mediation. If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other agreed upon period), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with a mediator that is a Supreme Court of South Carolina Certified Mediator. The mediator designated by mutual agreement; however, if the mediator cannot be agreed upon within such 30-day period, the mediator shall be designated at the request of any party submitted to the Clerk of Court for the 10th Judicial Circuit of the State of South Carolina. Each Bound Party shall present the mediator with a written summary of the Claim. The mediation shall be conducted in accordance with applicable provisions of the South Carolina Court-Annexed Alternate Dispute Resolution (ADR) Rules as determined by the mediator.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit on the Claim.

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees and costs, and each Bound Party shall pay an equal share of the mediator's fees.

(b) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit to enforce such agreement without the need to comply again with the procedures set forth in this Article XVII, Section 2. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

## **ARTICLE XVIII**

### **SECURITY FORCE**

Section 1. Creation. The Board is authorized to establish, maintain, and supervise a security force comprised of qualified security personnel. All security personnel must pass a SLED Report, previous state of residency criminal background check and a federal background check prior to employment. All security personnel must satisfy the requirements under South Carolina law to carry a firearm.

Section 2. Powers. All security personnel shall possess all powers, including the power to arrest any person violating or charged with violating a criminal statute, permitted and delegated to security personnel under South Carolina law.

Section 3. Jurisdiction. The jurisdiction of security personnel shall be confined to the Properties.

Section 4. Traffic Regulation. Upon the promulgation and posting of traffic regulations, including speed limits, by the Association, security personnel shall have the authority to enforce those regulations and may use all appropriate means to establish violations, including but not limited to the use of radar guns. To the extent permitted by South Carolina law, security personnel may issue State Uniform Traffic Summons tickets, and such tickets may be administered through the Oconee County Magistrates Office. In the alternative, violation of traffic regulations shall be deemed violations of the Rules and Regulations and the Board is empowered to impose fines and undertake other actions deemed appropriate for repetitive violations as set forth in these Bylaws.

Section 5. Membership and Guest Response to Traffic Stops. Anyone using the roads within the Community submits himself or herself to the jurisdiction of the Association's security personnel for the purpose of traffic regulations. Members, guests, and visitors must stop when approached by security vehicles whose lights are flashing. Failure to do so shall make the drivers subject to being ticketed for failing to stop.

Section 6. Roadways. Foxwood Hills Roadways must be kept clear of standing/parked vehicles. Automobiles, trucks, trailers, campers, etc. must be parked in a garage, driveway, or

other designated parking area. Vehicles are not to be left in the roadway or parked so that a portion of the vehicle is in the roadway. This is in accordance with South Carolina State Law for the purpose of allowing emergency vehicles the ability to drive and operate normally while in Foxwood Hills to render emergency aid.

## ARTICLE XIX

### USE RESTRICTIONS AND RULES

Section 1. Residential Use. All Lots shall be used for residential purposes exclusively except as otherwise expressly provided herein. Leasing of a Lot shall not be considered a business or business activity.

The Board may, but shall not be obligated to, permit a Lot to be used for business purposes so long as such business, in the sole discretion of the Board, is consistent with the residential character of the development. The Board may issue rules regarding permitted limited business activities. The existence or operation of a business shall not in any material respect, as determined by the Board: (i) be detectable by sight, sound, or smell from the exterior of the residence; (ii) involve persons coming into the development who do not reside in the Community; (iii) involve door to door solicitation of residents of the development; (iv) fail to comply in all other respects with the Governing Documents; (v) increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance; and (vi) increase traffic flow or parking congestion.

The term "business," as used in this provision, shall be construed to have its ordinary, generally accepted meaning, and shall include without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) the activity is engaged in full or part-time; (ii) the activity is intended to or does generate a profit; or (iii) a license is required for the activity. Notwithstanding the above, the use of a Lot by an on-site management company operating on behalf of the Association shall not be considered a trade or business within the meaning of this Section 1.

Section 2. Prerequisites for All Improvement on Lots. No new construction, erection, alteration, modification, addition, or placement of any improvements on any Lot (the "Project") is permitted until a Member submits the Plans for the Project to the Architectural Control Committee and has received approval of the Plans; provided, however, the requirement for a survey may be waived by the Architectural Control Committee for small Projects that do not warrant the need for a current survey. Should the Architectural Control Committee response require amendment or modification of the Plans originally submitted, the Member must confirm in writing that there will be compliance with the amendment or modification before the Plans are deemed approved. The "Plans" consist of the plans and specifications for the Project and any additional submission requirements of the Architectural Control Committee as set forth in its Guidelines, but in any event the Plans must describe the proposed shape, height, materials, and location of the Project.

The Board may employ architects, engineers, or other persons as it deems necessary or appropriate to enable the Architectural Control Committee to perform its review. The Architectural Control Committee may delegate from time to time any of its rights and responsibilities hereunder to one or more duly licensed architects or other qualified persons, who shall have all authority to act on behalf of the Architectural Control Committee for all matters so delegated. Written design guidelines and procedures (the "Guidelines") may be promulgated by the Architectural Control Committee for submission and review of the Plans, which Guidelines may provide for the payment of a review fee related to the approval process for the Plans. The Architectural Control Committee shall also be entitled to promulgate construction rules within the Guidelines that the Member shall cause to be followed in connection with all construction activities with respect to any Project. The Guidelines shall specify various fees and deposits on a refundable or non-refundable basis that are due related to construction activities, including without limitation those fees and deposits identified as Specific Assessments in Article XV, Section 7.

If the Architectural Control Committee fails to approve or disapprove a submitted Plan within thirty (30) days after proper submission of all documents required for approval to the Architectural Control Committee, the requesting Member may appeal to the Board of Directors for approval of the Plans. If the Board of Directors fails to approve or disapprove the submitted Plan within thirty (30) days of submission to the Board, the Plans shall be deemed approved.

The Architectural Control Committee shall be the sole arbiter of all Plans submitted for approval and may withhold approval for any reason, including purely aesthetic considerations. However, in doing so, the Architectural Control Committee shall adhere to the Restrictive Covenants applicable to the Lot in question to the fullest extent practicable and be diligent to guard against any Plans that may contain aspects which adversely affect not only the Section in which the Lot is located but the Community as a whole. The Architectural Control Committee shall also be entitled to stop any construction in violation of the Governing Documents, including violations of the construction rules contained in the Guidelines. Any member of the Architectural Control Committee, or a designated representative of either, shall have the right, during reasonable hours and after a reasonable notice, to enter upon any Lot for the purpose of ascertaining whether or not construction is proceeding in accordance with approved Plans and the Governing Documents. No person entering a Lot for such purpose shall be deemed guilty of trespass by reason of such entry.

Plans are not approved for engineering or structural design or quality of materials, and by approving the Plans none of the Architectural Control Committee, the Board or the Association, or any of their respective members, officers, employees or agents ("collectively, the "Association Parties"), assumes any liability or responsibility therefore, or for any defect in any improvements constructed from the Plans. None of the Association Parties shall be liable for damages to anyone submitting Plans for approval, or to any Member or other person having an ownership interest in or lien upon the applicable Lot, for any reason, including without limitation, by reason of mistake in judgment, negligence, or nonfeasance related to the Plans or any construction activities related thereto, or arising out of or in connection with the approval or disapproval or failure to approve or disapprove the Plans, or the making of any requested modification or amendment to the Plans.

Section 3. Vehicles, Boats and Prohibited Equipment. The term "vehicles," as used in this provision, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, ATV's, scooters, go-carts, trucks, campers, buses, vans, automobiles, and golf carts. All vehicles permitted to be parked on Lots shall be parked in garages, driveways or other parking areas approved by the Association.

No vehicle may be left upon any portion of the Community, except in a garage or other area designated by the Architectural Control Committee, for a period longer than five (5) days if it is unlicensed or if the vehicle is in such condition that it cannot be operated on public streets (a "Disabled Vehicle"). Prior to expiration of the 5-day period, the Association shall attempt to notify the Member responsible for the Disabled Vehicle, through security personnel or by mail, of the ongoing violation of this provision. After the expiration of the 5-day period, the Disabled Vehicle shall be designated a nuisance and towed from the Community at the direction of the Association and at the expense of the Member responsible for the Disabled Vehicle.

No recreational vehicle, motor home, mobile home, towed vehicle, commercial vehicle, or vehicle with commercial writing on its exterior, in each case exceeding forty (40) feet in length (the "Non-Conforming Vehicle"), shall be parked or stored in the Community for any period in excess of seventy-two (72) hours unless kept in a garage or other area approved by the Architectural Control Committee. Upon expiration of the 72-hour period, the Association shall attempt to notify the Member responsible for the Non-Conforming Vehicle, through security personnel or by mail, of the violation of this Bylaw provision. One (1) day after such notification, the Non-Conforming Vehicle shall be designated a nuisance and towed at the direction of the Association and at the expense of the Member responsible for the Non-Conforming Vehicle.

No boat in excess of forty (40) feet in length (a "Non-Conforming Boat") shall be temporarily kept or stored in the Community for a period in excess of seven (7) days unless kept in a garage or other area approved by the Architectural Control Committee. Upon expiration of the 7-day period, the Association shall attempt to notify the Member responsible for the Non-Conforming Boat, through security personnel or by mail, of the violation of this Bylaw provision. One (1) day after such attempt at notification, the Non-conforming Boat and its trailer shall be designated a nuisance and may be towed and stored at the direction of the Association at the expense of the Member responsible for the Non-Conforming Boat.

No eighteen-wheel trucks or the cabs or trailers of these trucks or trucks with a load capacity in excess of two (2) tons, or heavy equipment of any nature not then engaged in permitted construction activities shall be parked, kept, or stored within the Community; if so parked, kept, or stored the same shall be designated a nuisance and towed and stored at the direction of the Association at the expense of the Member responsible therefore. However, moving vans, service or delivery vehicles may be parked in the community for such period of time as is reasonably necessary to provide each service. Pick-up trucks are exempt from the above prohibitions.

No motorized vehicles shall be permitted on pathways or unpaved Common Properties except for public safety vehicles and vehicles authorized by the Board.



Section 4. Pets and Animals. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot unless so permitted by the Restrictive Covenants applicable to the Lot, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board. However, those pets that are permitted to roam free, or in the sole discretion of the Board, endanger health, make objectionable noise, or constitute a nuisance or inconvenience to Members or the Community in general may be removed by the Board. In addition, the Board by rule or regulation shall have the power to limit the number and types of pets that may be kept on a Lot. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs shall at all times, whenever they are outside, be on a leash held by a responsible person or otherwise confined in a manner acceptable to the Board. All Members and occupants keeping pets within the Community shall comply with all applicable governmental ordinances and regulations. Without prejudice to the Board's right to remove any such household pets, the Board may prohibit a household pet that has caused damage or injury from being walked in the Community. Animal control authorities shall be permitted to enter the Community to patrol and remove stray pets. Pets shall be registered, licensed and inoculated as required by law.

Section 5. Leasing and Other Occupancy Arrangements. Members are permitted to grant rights of occupancy to a Lot, including the residence and any additional improvements located thereon (the "Premises") subject to the Governing Documents. This may be accomplished by renting, renting-to-own arrangement, short-term rental (including, for example, Airbnb or VRBO) or permissive use without consideration (collectively, a "Rental Arrangement"). The person responsible for the occupants of the premises during the term of the Rental Arrangement is referred to herein as the "tenant" and the Member owning the Lot is sometimes referred to as the "landlord."

In connection with the Rental Arrangement, the landlord shall notify the tenant that all occupants of the premises are bound by and obligated to comply with the Governing Documents, including without limitation the Rules and Regulations and tenant shall affirmatively agree that tenant shall be responsible for compliance with the Governing Documents during the term of the Rental Arrangements. The tenant shall also agree to be responsible for all obligations owed to the Association related to violations of the Governing Documents or damage done to the Common Properties by the tenant or any other occupant of the premises or guest of the tenant during the period of occupancy by the tenant. The tenant shall also be made aware that if the tenant is deemed in violation of the Governing Documents, tenant may be denied access to amenities and subject to all other remedies of the Association as if the tenant were a member of the Association, including the Association levying fines, pursuing self-help remedies and seeking injunctive relief. All requests of the tenant to the Association shall also be made only to the landlord, who shall then make the request directly to the Association. To the extent that a written lease is entered into between the landlord and tenant, the foregoing provisions shall be included in the lease.

A hard copy of the Rules and Regulations shall be maintained in a conspicuous location in the premises during any Rental Arrangement, together with copies of all the additional Governing Documents unless there is a reference to an internet site that will provide access to the Governing Documents that are not included with the Rules and Regulations located within the premises.

Irrespective of any provision contained in any written lease as to responsible for any amounts due to the Association as a result of violations of the Governing Documents or any damage done to any Common Properties by a tenant or any other occupant of the premises or guest, the Association shall be entitled to look solely to the landlord for payment of such amounts and

landlord's recourse shall be to recover the same from the tenant. As between the landlord and the Association, the sole responsibility for all amounts due to the Association during the occupancy of the premises by the tenant shall remain with the landlord and the Association shall not be required to pursue collection actions against the tenant.

If access to the facilities of the Association within the Common Properties is to be granted to the tenant, the landlord must submit to the Association an Amenities Access Form with appropriate information provided regarding the tenant and other occupants of the premises. During any period that tenants and other occupants of the subject premises are granted access to the facilities of the Association, neither the landlord nor family members of the landlord shall be entitled to utilize the facilities of the Association based on the ownership of the subject premises.

If the Rental Arrangement is for thirty (30) days or more, the landlord shall provide to the Association the following prior to occupancy by the tenant:

- (a) The full name of the landlord, home and cell phone numbers, and email address.
- (b) The Lot number and address of the premises as well as telephone number of the premises if a landline is maintained;
- (c) The full name of the tenant, home and cell phone numbers, and email Address.
- (d) Names and ages of all other persons who will occupy the premises;
- (e) Beginning and ending dates of the Rental Arrangement;
- (f) Vehicle(s), make, model and license number for each occupant;
- (g) A copy of the proposed or executed lease or rental agreement.

## **ARTICLE XX**

### **VARIANCE MATTERS; DETERMINATION OF ABANDONMENT**

Section 1. Variances. Based upon the history of enforcement or lack of enforcement of certain Restrictive Covenants with respect to various Sections in the Community and issues related to whether certain individual covenants contained in the Restrictive Covenants are enforceable based upon potential legal theories that may deny enforcement, including without limitation release, waiver, estoppel, abandonment, prescription and change of conditions, the Association is empowered to grant variances ("Variances") as hereinafter set forth, whereupon deviations from the Restrictive Covenants will not be deemed to be violations of the Restrictive Covenants for purposes of compliance with the Governing Documents and the Association shall not thereafter be entitled to pursue enforcement of the applicable covenant. Once granted, Variances shall apply to all improvements permitted by such Variance and if any changes are made at any future date in the

policies of the Association with respect to the applicable Variance, the subject improvements on the applicable Lot shall nevertheless be grandfathered in the same manner as if a zoning change had occurred.

Section 2. Applications for Variances. Members shall be entitled to request a Variance with respect to specific covenants contained in the Restrictive Covenants upon submission of an application for variance to the Architectural Control Committee. Each application shall provide pertinent information on the Variance requested, including the Lot in question, the names of all owners or persons having an interest in the Lot, details as to the specific provision in the Restrictive Covenants which may have been violated or from which relief is sought, a plan of the Lot showing the violation or proposed deviation drawn to scale and such additional information as may be requested in application forms provided by the Architectural Control Committee from time to time. Upon receipt of such information, an initial review shall be undertaken by the Architectural Control Committee or personnel designated thereby to confirm the completeness of the application and communications may be undertaken with the applicant regarding recommended modifications to improve the likelihood of approval of the requested Variance. Once confirmation is made that the application is in final form, notice of the application shall be provided electronically to the remaining owners of Lots within the applicable Section who have provided email addresses to the Association, notice of the Application shall be posted on Community bulletin boards, electronic media, and other means deemed appropriate and a notice of the application for variance shall be posted conspicuously on the Lot by the applicant following guidelines established by the Architectural Control Committee. In each case, the notice shall encourage written comments be provided to the Architectural Control Committee within thirty (30) days of the date of such notice.

After such 30-day period, the Architectural Control Committee shall meet and make a recommendation to the Board on the on the action to be taken with respect to the application. Such recommendation shall be made only after the Architectural Control Committee has after considered comments that have been provided by other owners of Lots, as well as other circumstances related to the requested Variance, such as the frequency of such deviation or requested deviation from the Restrictive Covenants, the impact on surrounding Lots and the entire Section, as well as topography, natural obstructions, hardship, or aesthetic or environmental considerations that may justify the requested Variance. Once a recommendation has been made by the Architectural Control Committee as to the granting or denial of the Variance, the applicant shall be provided with notice of the decision and the application, and the recommendation of the Architectural Control Committee shall be submitted to the Board for final action. The actual granting of such Variance or the denial thereof shall be within the sole discretion of the Board and the granting of any Variance shall not prevent the Association from denying a Variance request in the future under the same or other circumstances.

Section 3. Granting of Section Variances. There exist in various Sections within the Community violations of the applicable Restrictive Covenants. At the request of 5% or more of the owners of Lots within each Section, a committee from each Section (a "Section Committee") will be appointed by the Board and shall undertake an inventory of violations of the Restrictive Covenants applicable to the respective Section, as well as identify Lots that have previously received Variances. The Section Committee shall also survey the Members in their Section in such manner as reasonably determined to receive input from such Members to determine those violations that the Members object to being granted Variances. Thereafter, the Section Committee shall make a recommendation as to the Variances that should be granted and those violations as to

which further corrective action is recommended. The Section Committee shall then provide a report (the "Variance Report") to the Architectural Control Committee containing the inventory of violations, a list of Member objections and the recommendation as to Variances that generally should be granted by the Architectural Control Committee.

Upon receipt by the Architectural Control Committee of the Variance Report from each Section Committee, the Architectural Control Committee shall make a preliminary recommendation as to the granting of a Variance applicable to the entire Section (a "Section Variance Recommendation") to the Board. Upon receipt, the Board shall provide notice of the Section Variance Recommendation to the Members on the Community bulletin boards, electronic media, and other means deemed appropriate and provide a copy of the Variance Report and the Section Variance Recommendation electronically to requesting Members. All Members shall have a period of thirty (30) days from the posting of notice to make objections or recommendations to the Board, which responses will be reviewed and considered by the Board before making a final determination as to the Variances that will be granted for the applicable Section (the "Section Variance"). If the Board approves of any Section Variance, the same shall be submitted to the Members owning Lots in the applicable Section for approval and shall not be effective without receipt of approval from a Special Majority Vote of the Members owning Lots in the applicable Section. Approval from the Members in the applicable Section shall be obtained by following the same procedures for calling a special meeting and voting but limited to such Members that are otherwise required for meetings of the Members at large. Once approved by a Special Majority Vote of the Members owning Lots in the applicable Section, the Section Variance shall be announced to the Members.

Section 4. Determination of Abandonment. Irrespective of the Variance procedure set forth above, if a provision within the Restrictive Covenants applicable to any specific Section is undoubtedly unenforceable based upon a significant number of similar violations in the applicable Section, based upon the advice of legal counsel, the Board may issue a Determination of Abandonment upon the request of five percent (5%) of the Members of the Section in which the subject violations have occurred. Upon the issuance of such Declaration of Abandonment, no further procedure with respect to a Variance is required to allow the Association to treat the applicable provision set forth in the Declaration of Abandonment as having been removed from the applicable Restrictive Covenants for purposes of the Governing Documents.

Section 5. Variances set forth in the Bankruptcy Plan. Anything to the contrary set forth above notwithstanding, to the extent that the Bankruptcy Plan contains a description of specific provisions of the Restrictive Covenants for a particular Section that shall no longer be subject to enforcement or otherwise be modified, Section Variances shall be deemed granted for such provisions without any further action by the Architectural Control Committee, the Board or the Members of such Section.

## **ARTICLEXXI**

### **WAIVER OF LIABILITY; ASSUMPTION OF RISK**

Section 1. Waiver of Liability. To the fullest extent permitted by South Carolina law, all Members, for themselves and on behalf of their respective family members, hereby irrevocably and unconditionally release, discharge, and covenant not to sue the Association or any other persons or

legal entities related to the operation or ownership of the Common Properties or their respective officers, directors, agents, contractors and employees of the Association (collectively the "Releasees") from any and all liability, injuries, losses, claims, damages, demands, rights of action or causes of action, present or future, known or unknown, anticipated or unanticipated, arising out of or in any manner resulting from the presence of the Member or any family members or guests on or about the Common Properties or use of any facilities located thereon, whether caused in whole or in part by the negligence, acts, omissions, carelessness or other conduct of the Releasees, excluding, however, gross negligence, recklessness or willful misconduct of Releasees.

Section 2. Assumption of Risk. All Members represent that they understand and have advised all their respective family members and guests that have access to, use of, or participation at the Common Properties, and the various facilities located therein, carry certain inherent risks that cannot be eliminated regardless of the care taken to avoid injuries. Further, that there are inherent risks associated with swimming and participation in water-related and other recreational activities including but not limited to those associated with use of any pool or other facilities. Some of these risks are described below but there may be others or unknown risks that are an inevitable part of using the Common Properties and participating in activities thereon. Because of these risks and hazards, serious accidents can occur, including but not limited to falling, physical contact with another person or equipment, encountering wildlife, hitting the pool bottom, bad weather, sun exposure and complications of any existing or developing medical conditions. All of these and others not listed herein may result in injury severe enough to require serious medical care, short or long-term disability, dismemberment or even death. Non-swimmers may not participate in water activities. All persons who use the Common Properties or otherwise are present thereon assume all risks associated therewith, including, without limitation scrapes, lacerations, impact, illnesses, infection, mental stress and anxiety, weather conditions, slips and falls, equipment failure, damage to property, drowning, disfigurement, death and any other risks foreseen are not for seeing. All Members are responsible for all medical care associated with respect to themselves and their respective family members and guests.

## ARTICLE XXII

### GENERAL PROVISIONS

Section 1. Enforcement. Each owner and occupant shall comply strictly with the Governing Documents. The Board of Directors may impose monetary fines and other sanctions, including suspension of membership privileges in proper cases, with monetary fines to be collected as otherwise provided in these Bylaws for the collection of assessments. Failure to comply with the Governing Documents shall also be grounds for actions by the Association for damages and injunctive relief, or both. In any such action for damages or injunctive relief brought by the Association, the Association shall be entitled to recover reasonable attorney's fees actually incurred and court costs incurred by the Association in bringing such action. Failure by the Association or any owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Self Help. To the full extent permitted by South Carolina law, in addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the

power to enter upon any Lot or any portion of the Community to abate or remove any structure, thing or condition which has been abandoned by the owner or allowed to deteriorate to the point of appearing dilapidated, has unreasonably deteriorated, or otherwise constitutes an unsafe or dangerous condition.

Unless an emergency situation exists, the Board shall give the violating Member ten (10) days' written notice of its intent to exercise self-help unless a shorter notice period is otherwise provided in these Bylaws. All costs of self-help, including, without limitation, reasonable attorney's fees actually incurred, shall be assessed against the violating Member and shall be collected as provided for herein for the collection of amounts due to the Association.

Section 3. Appearance. It shall be the responsibility of each Member and occupant of any Lot to prevent the development of any unclean, unhealthy, unsightly, or unkempt conditions on such Lot. No Lot within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will discharge foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any person occupying any Lots within the community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community. Without limiting the generality of the foregoing, no horn, whistle, siren, bell, amplifier or other sound device, except for devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot unless required by law. However, any siren or device for security purposes shall contain a device that causes it to automatically shut off within five (5) minutes.

Section 4. Abandoned Property. Personal property, except for personal property owned by the Association, is strictly prohibited from being stored, kept, or allowed to remain for a period of more than twenty-four (24) hours upon any portion of the Common Properties, including the rights-of-way located within the Properties. If the Board or its designee determines that a violation of this Section 4 exists, then the Board may remove and either discard or store the personal property in a location which the Board may determine, as well as impose a fine and charge the responsible Member for all removal and cleanup costs incurred by the Association. If personal property is moved in accordance with this Section 4, neither the Association nor any Director, Officer or agent of the Association shall be liable to any person for any claim of damage resulting from the removal activity.

Section 5. Subdivision of Lot. No Lot shall be subdivided, or its boundary lines changed. The Association, however, hereby expressly reserves the right to re-plat any Lot or Lots owned by the Association. Any such division, boundary line change, or re-platting shall not be in violation of the applicable subdivision and zoning regulations

Section 6. Fences. No fence or fencing type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Community, including any Lot, without the prior written consent of the Architectural Control Committee. The Architectural Control Committee

may issue guidelines detailing acceptable fence styles or specifications.

Section 7. Signs. No signs of any kind shall be displayed to the public view on any Lot except one professional address sign of not more than two (2) square feet, one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales periods.

Section 8. Firearms. The use or discharge of firearms or bows and arrows on the Common Properties or outside of any residence in the Community is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

Section 9. Additional Unsightly Activities. The pursuit of hobbies or other activities which might tend to cause disorderly, unsightly, or unkempt conditions, including without limitation, the assembly and disassembly of motor vehicles and other mechanical devices, shall not be pursued or undertaken in any part of the Community except within garages located on Lots. Routine maintenance of a vehicle completed in a reasonable period of time, such as changing a vehicle's oil, is permissible outside or without a garage.

## ARTICLE XXIII

### FINANCIAL REPORTS

Section 1. Accounting Standards. The Board shall follow the following accounting standards unless the Board specifically determines otherwise:

- (1) accounting and controls should conform to generally accepted accounting principles or such other accounting method as generally utilized for common-interest communities by professional community managers; and
- (2) the Association's cash account shall not be co-mingled with any other accounts.

Section 2. Accounting Reports. A financial report shall be prepared for the Association at least quarterly containing:

- (1) an income statement reflecting all income and expense activity for the preceding period.
- (2) a statement reflecting all cash receipts and disbursements for the
- (3) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
- (4) a balance sheet as of the last day of the preceding period; and
- (5) a delinquency report listing all Members who are delinquent in paying any assessments or other amounts due the Association at the time of the report (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless the Board specifies otherwise by resolution).

Section 3. Annual Report. An annual report consisting of at least the following shall be made available for Members' review within 180 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines.

## ARTICLE XXIV

### BOOKS AND RECORDS

Section 1. Maintenance of Books and Records. The Association shall maintain the accounting records required by the South Carolina Nonprofit Corporation Act and the following books and records, either in written form or in a form capable of conversion into written form within a reasonable time: appropriate accounting records; minutes of all meetings of the Members and the Board; a record of all actions taken by the Members, and the Board without a meeting; a record of all actions taken by any committees appointed by the Board; a membership roster reflecting the name and mailing address of all Members, in alphabetical order, along with the address or other identifying information of each Lot owned by the Member, and records as to amounts due and owing by all Members to the Association with respect to each Lot owned.

The Association shall maintain at its principal office copies of the following:

- (a) its Articles and Bylaws, and all amendments currently in effect;
- (b) Board resolutions relating to the rights, limitations, and obligations of Members;
- (c) the minutes of all Member meetings and records of all actions approved by the Members for the three (3) most recent years;
- (d) all written communications directed to the Members generally during the preceding three years;
- (e) copies of the financial statements for the three (3) most recent years;
- (f) a list of the names and business or home addresses of its current Directors and Officers;
- (g) its most recent annual report filed with the Secretary of State; and
- (h) any and all additional records and documents required by the Act.

Section 2. Inspection by Members and Mortgagees. Within five (5) days after receipt of a written request to inspect the Association's books and records the Board shall make available for inspection and copying by any Member, any holder, insurer or guarantor of a first Mortgage on a Unit, or the duly appointed representative of any of the foregoing, at such reasonable time and location as the Board may specify, any of the books and records listed in Section 1 and specified



in such written request, however, except as otherwise provided by the Act, a Member shall only be entitled to inspect the books and records enumerated in Section 1 above and if the Member's demand is made in good faith and for a proper purpose; the Member describes with reasonable particularity the purpose and the records the Member desires to inspect; and the records are directly connected with this purpose. Irrespective of the foregoing, the Association shall only be required to provide excerpts of the records identified in Section 1(a)-(g) to the extent not subject to inspection under Section 33-31-1602(a) of the Act.

Section 3. Rules for Inspection. The Board shall establish rules with respect to:

- (a) notice to be given to the custodian of the records;
- (b) hours and days of the week when such an inspection may be made; and
- (c) payment of the cost of reproducing documents requested.

Section 4. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties owned or controlled by the Association. A Director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

Section 5. Matters Not Available for Inspection by Members or Third Parties.

- (a) The email addresses or phone numbers of members provided to the Association by members shall not be made available to members or third parties.
- (b) The personal information of the Officers, Employees, and Staff of the Association shall not be made available to members or third parties.

## **ARTICLE XXV**

### **CORPORATE SEAL**

Section 1. Seal. The Association shall have a seal in circular form having within its circumference the words: "Foxwood Hills Property Owners Association, Inc."

## **ARTICLE XXVI**

### **FISCAL YEAR**

Section 1. Fiscal Year. The fiscal year of the Association shall be from April 1 of each calendar year until March 31 of the following calendar year.

## ARTICLE XXVII

### AMENDMENTS

Section 1. Origination. Amendments to these Bylaws may be proposed by the Board of Directors, a Bylaws Committee created by the Board, or the Members. Proposed amendments to these Bylaws originating from the membership must be endorsed by at least fifty (50) Members in good standing and at least ten (10) representative members of each lot type according to building restrictions.

Section 2. Procedure. Proposed amendments shall be submitted in writing to the Board of Directors for consideration at least ninety (90) days prior to the annual meeting of the Association. If the Board of Directors recommends modification of a proposal, the sponsors shall be so notified of the proposal modification. Should the sponsors find the modification unacceptable, the original proposal, together with the Board's recommendation, shall be submitted to the Members for action. Written notice of any proposed amendment to these Bylaws shall be sent to each Member entitled to vote at least twenty (20) days, but not more than fifty (50) days, prior to the annual meeting. All proposed amendments to these Bylaws shall require approval by a Special Majority Vote of the Members to be adopted. An amendment becomes effective at the close of the meeting at which it was adopted.

Without limiting the forgoing, the Board may, at any time, submit amendments to these Bylaws for consideration by the Members at a special meeting of the Members called for that purpose, and/or the Board may submit such amendments for approval by the Members using the ballot procedures set forth in Article XIII. Notwithstanding the method used for consideration, adoption of any amendment to these Bylaws shall require the affirmative vote of a Special Majority Vote of the Members. If such amendment is to be submitted for consideration at a special meeting of the Members, written notice of such proposed amendment shall be sent to each Member entitled to vote at least twenty (20) days, but not more than fifty (50) days, prior to the special meeting.

## ARTICLE XXVIII

### STANDARDS OF CONDUCT FOR AND LIABILITY OF DIRECTORS AND OFFICERS

Section 1. Standards of Conduct. Each Director or Officer shall discharge his or her duties as a Director or Officer, including his or her duties as a member of a committee, in good faith, with the care of an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner the Director or Officer reasonably believes to be in the best interest of the Association. Within ninety (90) days after being elected or appointed to the Board, each Director shall certify in writing to the Secretary that they have received and read these Bylaws, and that he or she will faithfully discharge his or her fiduciary responsibilities as a director.

Section 2. Non-Tort Liability of Directors and Officers. A Director or Officer is not liable to the Association, a Member, or any other person for action taken or not taken as a Director or Officer, if the Director or Officer acted in compliance with these Bylaws.

Section 3. Directors and Officers Not Deemed Trustees. A Director or Officer shall

not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association, including without limit, property that may be subject to restrictions imposed by the donor or transferor of the property. Directors or Officers may otherwise be made trustees in connection with their directorships or offices by expressly acknowledging such capacity in writing.

Section 4. Tort Liability of Directors and Officers. All Directors and Officers are immune from suit arising from conduct of the affairs of the Association. The immunity from suit is removed when the conduct amounts to willful, wanton, or gross negligence.

Section 5. Determination of Whether Conduct of Director or Officer Satisfies Standard of Conduct. Termination of a proceeding by judgment, order, settlement, conviction or plea of nolo contendere or its equivalent is not, of itself, determinative that a Director or Officer did not meet the standard of conduct described in Article XXVIII, Section 1 and any other relevant portion of these Bylaws.

Section 6. Enrichment Disclosure or Emolument Disclosure. The Association shall not enter into a contract or other transaction with any person or entity if a Director or Officer or any family member has a financial interested therein unless:

(a) There has been a full disclosure of all such conflicts of interests and such disclosure is entered into the written minutes of an applicable Board meeting.

(b) The contract or other transaction is found to be fair and reasonable and approved by an affirmative vote of two-thirds of the disinterested Directors.

(c) If the Board finds that a Director or Officer has violated this Section 6, the Board shall immediately remove the Director or Officer from office.

Section 7. Fiduciary Misconduct. A Director or Officer charged by credible proof or indictment with theft or embezzlement involving the Association's funds or property shall be disqualified from continuing to serve as a Director or Officer and shall be removed from office. The Board shall fill the vacancy according to these Bylaws. However, if the charges are resolved without a finding of guilt or without acceptance of a plea of guilty or nolo contendere, the Director or Officer shall be reinstated, and the replacement Director or Officer shall resign as an interim appointee. A Member who has such criminal charges pending may not be appointed or elected to a position as a Director or Officer.

Section 8. Nepotism. No blood or legal relatives of a Director or Officer of the Association may be hired as an employee of the Association, unless a majority vote of the Board of Directors approves the employment. No employee shall be awarded a position in the Association where they are to be directly or indirectly supervised by a member of their blood or legal family.

## ARTICLE XXIX

### INDEMNIFICATION

Section 1. Authority to Indemnify. The Association may indemnify an individual made a party to a proceeding because the individual is or was a Director or Officer against liability incurred in the proceeding if the individual conducted himself or herself in good faith and reasonably believed as to conduct in his or her official capacity that said conduct was in the Association's best interests and in all other cases that his or her conduct was at least not opposed to the Association's best interests and in a criminal proceeding that he had no reasonable cause to believe his or her conduct was unlawful.

Section 2. Circumstances Precluding Indemnification. The Association may not indemnify a Director or Officer under this Article in connection with a proceeding by or in the right of the Association in which a Director or Officer, under this Article in connection with a proceeding by or in the right of the Association, in which a Director or Officer was adjudged liable to the Association or in connection with any other proceeding charging improper personal benefit to the Director or Officer, whether or not involving action in his or her official capacity, in which the Director or Officer was adjudged liable on the basis that personal benefit was improperly received by the Director or Officer.

Section 3. Mandatory Indemnification. Except to the extent limited by the Act or these Bylaws, the Association shall indemnify a Director or Officer who was a party because he or she is or was a Director or Officer of the Association against reasonable expenses actually incurred by the Director or Officer in connection with a proceeding, unless prohibited by these Bylaws.

Section 4. Advances for Expenses. The Association may, in an amount set by a vote of the majority of the then disinterested Directors, pay for or reimburse the reasonable expense incurred by a Director or Officer who is a party to a proceeding in advance of final disposition of the proceeding if the Director or Officer furnishes the Association a written affirmation of his or her good faith belief that he or she has met the standards of conduct promulgated in these Bylaws, the Director or Officer furnishes the Association a written undertaking, executed personally or on the Director's or Officer's behalf, to repay the advance if it is ultimately determined that the Director or Officer did not meet the standard of conduct, and determination is made that the facts then known to those making the determination would not preclude indemnification under these Bylaws or the Act. The required undertaking must be an unlimited general obligation of the Director or Officer, but need not be secured and may be accepted without reference to financial ability to make repayment. Determinations and authorizations under these Bylaws must be made in the manner specified in Section 6 below.

Section 5. Court-Ordered Indemnification. A Director or Officer of the Association who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of such an application by the court, the Director or Officer must give the Association notice that a court is considering the applicant's request for indemnification.

Section 6. Determination and Authorization of Indemnification. The Association may not indemnify a Director or Officer under these Bylaws unless authorized in the specific case after

a determination has been made that indemnification of the Director or Officer is permissible in the circumstances because the Director or Officer has met the standard of conduct set forth in these Bylaws. This determination must be made by the Board by a majority vote of a quorum consisting of directors not a party to such proceeding or as provided in the Act.

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