

These Bylaws are promulgated for the purposes of governing CAROLINA PALMS HOMEOWNERS ASSN., Inc., (ASSOCIATION) and the administration of the properties within the Carolina Palms Subdivision. Unless otherwise defined herein, or unless the context otherwise prohibits, the terms herein contained shall be as defined in the Declaration of Covenants, Conditions, and Restrictions for Carolina Palms Subdivision, as Amended. (DECLARATION).

#### ARTICLE I OWNERS

1. **MEMBERSHIP:** Every owner of a lot (OWNER) shall be a member of the Association (MEMBER). Renters and temporary tenants are not OWNERS and therefore have no MEMBERSHIP.
2. **VOTING:** The Association members shall be entitled to one (1) vote for each lot owned. Renters are not members and therefore shall not be allowed a vote. In order to vote a member must be in good standing. A member in good standing must be current on all dues and not have any current violations per the rules and covenants of the Association.
3. **MAJORITY:** A majority of the members means the owners of fifty-one (51 %) percent or more of the lots subject to the Declaration.
4. **QUORUM:** A majority of the members shall constitute a quorum for the transaction of business at meetings of the members.
5. **CONSENTS:** Any action which may be taken by a vote of the members may also be taken by written consent to such actions signed by the majority of the members.
6. **ANNUAL MEETING:** An annual meeting of the members shall be held on the second Tuesday of March each year. Any business which is appropriate for action of the members may be transacted at an annual meeting.
7. **SPECIAL MEETINGS:** Special meetings of the members may be called at any time by the president of the Association, a majority of the Board of Directors, or a majority of the members. Only such business as is identified in the notice of meeting shall be transacted at a special meeting, unless all members waive notice of any additional business.
8. **NOTICE OF MEETINGS:** Notice of every annual or special meeting of the members stating the time, date and place thereof and, in the case of a special meeting, the business proposed to be transacted) shall be given to every member not less than ten (10) nor more than thirty (30) days in advance of the meeting. Failure to give proper notice of a meeting shall not invalidate any action taken at such meeting unless a member who was not given proper notice objects in writing to the lack thereof within thirty (30) days following the conduct of the meeting, in which case the action to which such member objects shall be void. The proper form of said notice may include one or more of the following: electronic mail (email), social media postings, hand-delivered door hangers, and a sign posted in the entrance way common area.

7. **WAIVER OF NOTICE:** Waiver of notice of a meeting of the member shall be deemed the equivalent of proper notice. Any member may in writing, or via electronic mail (email), waive notice of any meeting of the members either before or after such meeting. Attendance at a meeting by a member, whether by in person or by electronic voting, shall be deemed a waiver by such member of notice of the time, date and place thereof unless the member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted there and unless objection to lack of notice is raised before the vote on the business of which proper notice was not given.
8. **ADJOURNMENT:** Any meeting of the members may be adjourned from time to time for periods not exceeding forty-eight (48) hours by vote of members holding a majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of a meeting may be transacted at an adjourned session, and no additional notice of adjourned sessions shall be required.
9. **ORDER OF BUSINESS:** The order of business at all meetings of the members shall be as follows: roll call, proof of proper notice of the meeting or waiver of notice, reading of minutes of preceding meeting, report of the Board of Directors, reports of officers, reports of committees, election of officers (when required), unfinished business, and new business.
10. **MINUTES OF MEETING:** The secretary of the Association shall prepare, or cause to be prepared, and kept accurate minutes of every meeting of the members. These minutes shall be available for examination and copying by any member at reasonable times and intervals, and upon reasonable notice.
11. **ELECTRONIC VOTING:** Each member shall be allowed to vote on any matter presented by the board for voting via electronic mail (email). Email votes must be sent to the Board President and/or the HOA Company, if one is hired, no earlier than seven days prior to a voting matter and no later than one day after the vote is to occur.

## **ARTICLE II BOARD OF DIRECTORS**

1. **FORM OF ADMINISTRATION:** The administration of the Association shall be vested in a Board of Directors consisting of the elected Officers of the Association. At any time there is a vacancy then the successor elected by the membership, or appointed by the Board of Directors shall serve until the next normally held election.
2. **AUTHORITIES AND DUTIES:** The authorities and duties of the Board of Directors shall include, without limitation, the following: providing for the maintenance, repair and operation of the common areas, determining if surveillance and security beyond law enforcement are required in the common areas, determining the amount of and collecting common expenses, enacting regulations governing the operation and use of the common areas, enforcing the provisions of the Declaration, these Bylaws, and the regulations promulgated pursuant hereto, and

administering the Association and the common areas on behalf of, and for the benefit of, all members.

3. **QUALIFICATION:** Only an individual who is a member, or who together with another person or person constitutes a member, or who is entitled to cast a vote on behalf of a member (other than merely by email voting) or an individual designated by the Declarant(s) may be elected to serve as a director. A member which consists of more than one individual, or which is a corporation, or other legal entity consisting of more than one individual shall be limited to one (1) vote. A member must be in good standing to serve on the board of directors.
4. **ELECTION AND TERM:** The initial Board of Directors shall be elected in the spring/summer of 2018. Elections will shall be held during October of every odd-numbered year. Elections to the board of directors shall be for a term of two years. A director may succeed himself, and a director shall be deemed to continue in office until his successor has been elected and has assumed office.
5. **REMOVAL:** A director may be removed from office with or without cause by the affirmative vote of two-thirds (2/3rds) of the members. The unexpired portion of the term of any director so removed shall be filled by a new director elected by the Board of Directors.
6. **VACANCIES:** Vacancies in the Board of Directors caused by any reason other than the removal of a director by the members shall be filled by a new director elected by the affirmative vote of a majority of the remaining directors, even though such remaining directors do not constitute a quorum of the Board.
7. **VOTING:** Each director shall have one (1) vote on all matters acted upon by the Board. The vote of a director shall be cast only by such director personally at a meeting of the Board convened in accordance with these Bylaws. The affirmative vote of a simple majority of the directors present at the time of a vote, if a quorum be present at such time, shall be sufficient for any action unless otherwise approved by these By-Laws.
8. **QUORUM:** A majority of the directors shall constitute a quorum for the transaction of business.
9. **CONSENTS:** Any action which may be taken by a vote of the Board of Directors may also be taken by written consent to such actions signed by the majority of the directors.
10. **MEETINGS:** An annual meeting of the Board shall be held during each calendar year during January. The time, date and place of this meeting shall be fixed by mutual agreement of a majority of the directors no later than 15 December of the previous year. Regular meetings of the Board shall be held at such times, dates and places as it may determine from time to time. Special meetings may be called by the president of the Association upon written request of two (2) or more directors. Any business which is appropriate for action of the Board of Directors may be transacted at regular and annual meetings. Only such business as is stated in the notice

thereof shall be transacted at a special meeting unless all directors waive notice of any additional business.

11. **NOTICE AND WAIVER:** Written notice of every regular or special meeting of the Board of Directors stating the time, date and place thereof and, in the case of a special meeting, the business proposed to be transacted shall be given to every director not less than three (3) nor more than ten (10) days in advance of the meeting. Failure to give proper notice of a meeting shall not invalidate any action taken at it unless a director who was not given proper notice objects in writing to the lack thereof within thirty (30) days following such meeting in which case the action to which director objects shall be void. Waiver of notice of a meeting shall be deemed the equivalent of proper notice. Any director may waive notice of any meeting of the Board either before or after such meeting. Attendance at a regular or annual meeting shall be deemed waiver by such director of notice unless he specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall be deemed waiver of notice of all business transacted there at unless objection to lack of notice before any vote on the business of which proper notice was not given.
12. **PLACE OF MEETINGS:** All meetings of the Board shall be held at such place convenient to the directors as the president of the Association may direct.
13. **MINUTES OF MEETING:** The secretary of the Association shall prepare, or cause to be prepared, and keep accurate minutes of every meeting of the Board of Directors, All such minutes shall be available for examination and copying (upon payment of reasonable costs for same) by any member at any reasonable time and on reasonable notice.
14. **COMPENSATION:** Directors shall serve without compensation but shall be entitled to reimbursement by the Association for previously authorized expenses incurred in the conduct of their duties.
15. **NUMBER OF DIRECTORS:** There shall be seven members voted in as the Board of Directors. At no time shall two members of the same household hold voting positions on the Board. If a member should leave on his own account, by removal, or by any other means, the board should immediately take action to fill any voids and maintain seven members of the board if at all possible.

### **ARTICLE III OFFICERS**

1. **DESIGNATION:** The Association shall have a president, vice president, a secretary, & treasurer. The offices of the secretary and the treasurer may be filled by the same individual. The president, vice president, secretary and Treasurer must be directors.
2. **ELECTION AND TERM:** Officers shall be nominated and elected by the board of directors, from within the board of directors, immediately following elections and at such other times as may be

required to fill vacancies in office. All officers shall serve until their successors have been elected and assume office unless sooner removed as herein provided. An officer may be re-elected to any number of terms. Terms start on 01 January of even numbered years. Terms shall run for the complete duration of two whole years when normally elected unless removed. Officers who are appointed under special circumstances shall assume the responsibilities of that office for the remainder of the normal term, until the next election.

3. REMOVAL: Any officer may be removed from office and from the board of directors at any time with or without cause by the affirmative vote of two-thirds (2/3rds) of the members. An officer so removed shall be replaced only by election to be conducted by the members.
4. PRESIDENT: The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors at which he is present. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including, without limitation, the power to appoint committees from among other members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.
5. VICE PRESIDENT: The vice president shall take the place and perform the duties of the president whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other director to take the place and perform the duties of the president on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.
6. SECRETARY: The secretary shall keep the minutes of all meetings of the Association and of the Board, shall have charge of such books and papers as the Board may direct, including a current copy of all existing regulations, and shall, in general, perform the entire duties incident to the office of secretary of a corporation.
7. TREASURER: The treasurer shall have custody and responsibility for Association funds and securities and shall keep the financial records and books of account belonging to the Association. If a manager is employed by the Association, the custody of the Association funds and securities and responsibility for maintaining full and accurate accounts of all receipts and disbursements may be delegated to the manager if the Board of Directors so determines. In such case, the treasurer shall verify the amounts of Association funds and securities in the custody of the manager and review and reconcile the accounts maintained by the manager at such intervals as may be determined by the Board.
8. COMPENSATION: The officers may receive such compensation as the Association may determine and shall be entitled to reimbursement by the Association for previously authorized expenses incurred in the conduct of their duties.

**ARTICLE IV FINANCES**

1. **FISCAL YEAR:** The fiscal year of the Association shall be the calendar year unless the members otherwise determine.
2. **BUDGET:** The Board of Directors shall prepare and submit to the members a proposed budget for the fiscal year by 01 February every year. This shall set forth with particularity the anticipated common expenses for the fiscal year and the amount of money needed to establish reasonable reserve for the payment of future or unforeseen common expenses. The proposed budget, as it may be amended upon motion of any member, and when approved by the affirmative vote of a majority of the members, shall become the budget of the Association for the fiscal year (BUDGET). The terms of the budget shall be binding upon the Board of Directors until such terms are amended by action of the Association. The annual budget is approved by the members at the annual meeting every year.
3. **ASSESSMENTS:** The funds required by the budget shall be assessed against, and collected from, the members by the Board of Directors in annual installments as the Board may determine. Funds required for payment of any common expenses which are not covered by the budget but which are approved by the Association shall be collected as special assessments from the members by the Board of Directors in such installments as the Association shall determine. Any payments to the Association shall be due annually and payable upon demand by the Board of Directors.
4. **COLLECTION, COST OF COLLECTION AND LIEN:** An assessment not paid within ten (10) days following its due date shall bear a penalty of one (1%) percent of the amount thereof per month from the date when due. The lien of this assessment and the method of the collection thereof shall be as established by the Board who may, in its discretion, waive all or any portion of a penalty imposed pursuant to this paragraph if it affirmatively appears that the failure to pay the assessment when due was caused by circumstances beyond the control of the member.
5. **BONDING, ACCOUNTING AND AUDITS:** All persons authorized to withdraw funds from any checking or savings account maintained by the Association must be bonded. The cost of the bond shall be a common expense. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and the Board is empowered to require periodic outside audits.

**ARTICLE V REGULATIONS, LIABILITIES AND INDEMNIFICATION**

1. **REGULATIONS:** The Board of Directors shall adopt and amend from time to time such reasonable regulations (REGULATIONS) governing the maintenance, preservation, operation and use of the common area and the enforcement of the Declaration, as amended, as it may deem necessary or desirable. It shall not be necessary to record regulations newly adopted or the amendment or repeal of existing regulations, but no owner shall be bound by any newly adopted regulations or any amendment or repeal of an existing regulation until given constructive record notice thereof and/or furnished with a copy thereof.

2. **ENFORCEMENT:** The Board of Directors shall enforce the Declaration, these Bylaws, and any regulations promulgated pursuant hereto and shall take prompt and appropriate action to correct any violation of them, in addition to any other remedy to which the Association or any violations of them. In addition to any other remedy, directors may impose against a member reasonable fines not to exceed a total of Ten and NO/1 00 (\$10.00) Dollars per day for any violation of the terms of the Declaration, these Bylaws, or the regulations.
3. **LIABILITY OF MEMBERS:** Unless specifically assumed in writing, no member shall be liable upon a debt or tort of the Association.
4. **INDEMNIFICATION AMONG OWNERS:** Each member shall be entitled to contribution from and indemnification by, every other member to the extent that such member discharges or is required to discharge any portion of any liability of the Association in excess of his proportionate share thereof, except that no owner shall be required to provide contribution or indemnification on account of a debt which was liquidated in amount and due and payable prior to the time such member became an owner.
5. **LIABILITY OF DIRECTORS AND OFFICERS:** No director or officer of the Association shall be liable to any member for any decision, action or omission made or performed by such director or officer in the course of his duties unless such director or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these Bylaws.
6. **INDEMNIFICATION OF DIRECTORS AND OFFICERS:** No director or officer of the Association shall be liable to any member for any decision, action or omission made or performed by such director or officer in the course of his duties unless such director or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these Bylaws.

#### **ARTICLE VI AMENDMENT**

These Bylaws may be amended from time to time by resolution adopted by the affirmative vote of twothirds (2/3rds) of the members. Any amendment to these By-Laws shall at all times be subject to, and subservient to, the Declaration of Covenants, Conditions and Restrictions, as Amended of Carolina Palms Subdivision. No amendment shall impose additional obligations upon or affect the voting rights of Declarant or Developer. NO PROVISION OF THESE BY-LAWS OR ANY AMENDMENT THERETO, CAN TAKE PRECEDENCE OVER THE PROVISIONS OF ANY RECORDED RESTRICTIVE COVENANT FOR CAROLINA PALMS SUBDIVISION, AS AMENDED, AND SHALL AT ALL TIME BE SUBSERVIENT AND SUBJECT TO SAID SUBDIVISION RESTRICTIVE COVENANTS.

EFFECT. All owners and all persons that may in any manner use the property subject to the Declaration, or any part thereof, shall be bound to abide by any amendment to these Bylaws duly adopted and recorded as specified herein.

**ARTICLE VII NEGATION OR PECUNIARY GAIN**

The corporation is not organized for a pecuniary profit it shall not have any power to issue certificates of stock or declare dividends. No part of its net earnings shall endure to the benefit of any member, director, officer or individual. All funds on deposit, from whatever source realized, shall be used exclusively and solely to finance the continued existence and operation of the Association and to discharge the functions thereof and for no other purpose whatsoever. However, if the Board of Directors should determine that there are more funds on deposit than are necessary to ensure the continued operation, existence and maintenance of the Association and the properties for which it is responsible, the Board of Directors will solicit ideas from the homeowners on how the funds can be used to better improve Carolina Palms, i.e. entrance improvements, etc. In the event of the termination of the existence of the Association, all funds on hand in excess of liabilities and all property as may be owned by it, shall be disposed of in such manner as may be determined by a majority of the members. However, other than to the existing members, no distribution of funds or distribution of property shall be made to any person, organization or entity not recognized as a charity by the South Carolina Tax Commission and the Internal Revenue Service.

**ARTICLE VIII MISCELLANEOUS**

1. **RECORD OF OWNERSHIP:** Any person who acquires title to a lot, other than a person who acquires title merely as security for a debt, shall promptly inform the Board of Directors of the identity of such person and the date upon, and the manner in which, title to the dwelling was acquired. The Board of Directors shall maintain a record of the names of all owners and the dates upon which they acquired title to their lot.

Any notices or documents placed in the mail receptacle or affixed to the front door or a home by or at the direction of the Board of Directors shall be deemed delivered to the owner of such dwelling, unless the owner of such dwelling has previously specified to the Board of Directors in writing of another address for delivery of such notices or documents. Any notice or document addressed to the Board of Directors and delivered to any director by or at the direction of an Owner shall be deemed delivered to the Board of Directors.

2. **WAIVER:** No provision of these Bylaws or of the regulations promulgated pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

3. **CONFLICTS:** In the event of any conflict between these By Laws, Rules and Regulations issued by the Homeowners Association, and the Declaration of Covenants, Conditions and Restrictions for Carolina Palms, said Subdivision Restrictive Covenants shall control.

4. **SEVERABILITY:** The provisions of these By-laws are severable, and the invalidity of one or more provisions hereto shall not be deemed to impair or affect in any manner the enforce ability or effect of the remainder hereof.



5. CAPTIONS: The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof

6. GENDER AND NUMBER: All pronouns herein shall be deemed applicable to the masculine, feminine, and the neuter and the singular and plural whenever the context requires or permits.

We the undersigned certify that the foregoing By-Laws constitute the original By-Laws of Carolina Palms Homeowners Assn., Inc. And were duly adopted at a meeting held on 22 May, 2018.