

# **BY-LAWS OF SWPOA, INC.**

## **ARTICLE I NAME AND LOCATION**

The name of the corporation is SWPOA, Inc. The Principal office of the Corporation shall be located within Summer Wood Subdivision, but meeting of members and directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors, and has been incorporated with the Secretary of State of South Carolina. SWPOA, Inc. shall not be operated for pecuniary gain or profit and shall have no capital stock. No director or committee member shall receive compensation for any services rendered to SWPOA, Inc.

## **ARTICLE II PURPOSE AND DEFINITIONS**

Section 1. "Overall Purpose". SWPOA, Inc. was organized, and the restrictions and protective covenants, to benefit the owners of the lots situate in said subdivision by protecting the value and desirability of Summer Wood Subdivision.

Section 2. "Summer Wood Services". SWPOA, Inc. is organized to perform such of the following services as the Board of Directors and/or members deem appropriate.

- (a) Fix the rate of annual and special assessments;
- (b) Collect and enforce the collection of said assessments;
- (c) Pay necessary expenses;
- (d) Borrow money as authorized by vote of the membership;
- (e) Pay expenses incident to the enforcement of the covenants;
- (f) Perform such other functions as may be necessary for the benefit of the members.

Section 3. "Association" shall mean and refer to SWPOA, Inc. its successors and assigns.

Section 4. "Member" refers to the record owners of lots in the subdivision as set forth in the Article of Incorporation. For voting purposes, each member is entitled to one vote regardless of how many individuals reside in the household or are named on the ownership records.

## **ARTICLE III MEETING OF MEMBERS**

Section 1. "Annual Meeting". The annual members' meeting shall be held at such location as the notice shall indicated on the second Tuesday of November of each year at 7:00 o'clock p.m., for the purpose of electing directors and of transaction any other business authorized to be transacted by the members, provided, however, that if the day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Tuesday which is not a legal

holiday. Notwithstanding the aforementioned “Annual Meeting”, upon the developer turning over the books and records of the SWPOA, Inc. to any “Member/Members” of said Association, and resigning as directors of the Association, said “Member”/Members” shall within thirty (30) days of the resignation of the directors of the Association schedule a “Special Meeting” of the Association pursuant to Article III, Section 3 of these By-Laws for the purpose of electing new directors of the Association.

Section 2. “Special Meetings”. Special members meetings shall be held whenever and wherever call by the President or by a majority of the member of the Board of Directors. A special meeting must be called by such officers upon receipt of a written request from twenty (20%) percent of the entire membership.

Section 3. “Notice”. Written notice of each annual or special meeting of the Association shall be given by, or at the direction, of the secretary or other person authorized to call the meeting to all lot owners. A copy of such notice shall be mailed at least fifteen (15) days, but not more than thirty (30) days before such a meeting, to the address last appearing on the books of the Association, or supplied by the 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 the meeting. Notice of the meeting may be waived in writing before, during or after meetings.

Section 3. “Vote Required To Transact Business”. A vote by the majority of the property owners present or represented by written proxy at the meeting shall bind all members, present or not. In order for the Association to be bound on an indebtedness a vote of fifty-one (51%) percent of the members of the Association must be had, and no proxies may be used for this specific vote.

Section 4. “Voting”. In any meeting of the Association each lot shall be entitled to one vote, which vote shall be cast by the record owner or his/her duly authorized proxy, except as set forth in Section 3. hereof.

Section 5. “Order of Business”. The order of business at all meeting shall be as follows in accordance with Robert’s Rules of Order:

- Election of Chairperson of the Meeting (First meeting only.).
- Certifying Proxies.
- Proof of Notice of Meeting or Waiver of Notice.
- Minutes of Last Meeting
- Approval of Minutes
- Treasurer’s Report
- Officer/Committee Reports
- Old Business
- New Business
- Adjournment

Section 6. “Quorum”. The presence at a meeting, in person or by proxy, of thirty-five (35%) percent of members in good standing entitled to cast votes, shall constitute a quorum for authorization of any action, except as may be otherwise provided in the Articles of Incorporation or by these by-laws. If a quorum is not present at any meeting, the members



entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 7. "Proxies". At all meeting of the Association, except as otherwise provided for in the Articles of Incorporation or by these by-laws, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Proxies shall be revocable, and the proxy of any owner shall automatically become null and void after the purpose for which the proxy was issued.

#### ARTICLE IV BOARD OF DIRECTORS ELECTION, TERM OF OFFICE AND REMOVAL

Section 1. "Number". The affairs of the Association shall be administered by a Board of Directors consisting of seven (7) members, including officers.

Section 2. "Election and Term of Office". At the annual meeting seven (7) members shall be elected to the Board of Directors for a term of two (2) years. The election of directors shall be conducted at the annual Association meeting. Nomination for directorships and directors shall be made from the floor. The election shall be by secret ballot. Each director shall be elected by a plurality of the votes cast, each person voting being entitled to cast one vote for each vacancy to be filled. An immediate past Board of Director may not be place in nomination for one (1) year after the expiration of his/her term.

Section 3. "Vacancies". The Board of Directors is authorized to fill vacancies for the remainder of the unexpired term. Directors so appointed who serve twelve (12) months or less will have the opportunity to be place in nomination for Board positions upon expiration of the appointed term.

Section 4. "Removal". Any director may be removed from the Board of Directors by a majority vote of the members of the Association at any regular or special meeting of the Association called for that purpose.

#### ARTICLE V MEETING OF THE BOARD OF DIRECTORS

Section 1. "Regular Meetings". Regular meeting of the Board of Directors shall be held in the second week of each month at such time and place as may be fixed from time to time by resolution of the Board. Any member in good standing may attend such meeting, provided five (5) days written notice of such appearance is given to the Board.

Section 2. "Special Meetings". Special meetings of the Board of Directors shall be held when called by the president of the association, or by any two (2) directors, with not less than three (3) days notice to each director.

Section 3. "Quorum". A majority of the directors shall constitute a quorum for the transaction of business. Every act performed at a duly held meeting in which a quorum is present shall constitute the act or decision of the Board.

ARTICLE VI  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. "Powers". Except as otherwise provided in the Restrictive Covenants, the Articles of Incorporation, and these by-laws, all of the powers and duties of the Association shall be exercised by the Board of Directors including those existing under law and statutes, and the Restrictive Covenants, as now or hereafter amended. Such powers and duties shall be exercised in accordance with the provisions of the Restrictive Covenants, the Articles of Incorporation and these by-laws, which governs the use of the Subdivision property and shall include, but shall not be limited to the following, to-wit:

(a) To make and collect assessments against the members to defray the costs of the subdivision;

(b) To use the proceeds from assessments in exercise of its powers and duties;

(c) To use the proceeds from assessments for the normal, common, recurring maintenance, repair, replacement and operation of the Subdivision property, including, but not limited to, common areas, entrances, and detention area storm water facilities;

Should uncommon, non-budgeted maintenance or repair needs arise that are to exceed \$2,500.00 in costs to the Association, then a meeting shall be called by the Board of Directors, so that attending members of the Association may vote approval for the following, to-wit:

(d) The reconstruction of improvements after casualty and the further improvement of the property;

(e) To make and amend Rules and Regulations respecting the use of the property, subject to the provision of the Articles of Incorporation, the Restrictive Covenants and these by-laws;

(f) To enforce by legal means the provision of the Restrictive Covenants, the Articles of Incorporation and these by-laws of the Association, and any Rules and Regulations for the use of the property hereafter adopted;

(g) To designate any employ personnel for reasonable compensation necessary for the administration and management of the Association and maintenance of the property and to dismiss same provided any such contract for the management and performance of services is timed so that it terminates at the next annual meeting of the Association.;

(h) To carry insurance for the protection of the lot owners and the members of the Association and Board of Directors against casualty and liabilities in carrying out the duties of their elected office.

ARTICLE VII  
OFFICERS AND THEIR DUTIES



Section 1. "Officers". The officers of the Association shall be a president, vice-president, secretary and treasurer, and other such officers as the Board of Directors may create from time to time by resolution.

Section 2. "Election of Officers". The Board of Directors shall, at its first meeting, following the annual election, preside over by the outgoing, non-voting president (until a new president is elected) elect a president, vice-president, secretary and treasurer. Each member of the Board of Directors is eligible for any officer position. A person wishing to run for office will give written notice to fellow Board members at least five (5) days prior to the December meeting. Voting shall be by secret ballot and a simple majority wins the election.

Section 3. "Term". the officers of the Association shall be elected annually by the Board of Directors. Each officer shall hold office for a term of one (1) year unless the office shall resign sooner, is removed, or otherwise disqualified to serve. Officers may be elected to succeed themselves.

Section 4. "Resignation and Removal". Any office may be removed from office by majority vote of the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make same effective.

Section 5. "Vacancies". A vacancy in any office may be filled by appointment by the Board of Directors. The appointed officer shall be a current member of the Board of Directors, and shall serve the unexpired term of the office replaced.

Section 6. "Duties". The duties of the Officers of the Association are as follows:

(a) President: the president shall be the chief executive of the Association, shall preside at the meetings of the Association, and of the Board of Directors, and shall be an ex-officio member of all committees. The president shall see that all orders and resolution of the Board of Directors are carried out and shall sign all leases, mortgages, deeds, and other instruments;

(b) Vice-President: The vice-president shall act in the absence or disability of the president and discharge and exercise such other duties as may be required by the Board of Directors;

(c) Secretary: The secretary shall record the votes and keep minutes of all meetings and proceedings of the Board of Directors and the Association; keep the corporate seal of the Association, and affix it to all papers so requiring; and serve notice of meetings to the members of the Association;

(d) Treasurer: The treasurer shall receive and deposit into appropriate bank account(s) all funds of the Association, and disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the association; and keep proper books of the accounts. Accounts shall be annually audited by three (3) persons appointed by the Board of Directors. The treasurer shall prepare an annual budget and statement of income

and expenditures, a copy of such documents shall be available to each member, and a report shall be given at the regular annual meeting of the Association. He or she should also keep records of the members in good standing, together with their addresses.

## ARTICLE VIII ANNUAL AND SPECIAL ASSESSMENTS

Section 1. "Annual Assessment". Assessment against the lot owners shall be made on or before December 10th of the year proceeding for which assessments are made. Such assessment shall be due on or before February 1st of each year. Should a member fail to pay the annual assessment timely a ten (10%) percent late fee will be assessed against the member, and said member shall have no voting rights in the Association until the delinquent assessment is paid in full, together with any late charges, court costs, recording costs and/or legal fees.

Section 2. "Special Assessments". Assessment for common expenses to defray the costs of emergencies that cannot be paid from the annual assessments for common expenses can be made only after notice of the need therefor to the lot owners. After such notice and upon approval in writing by persons entitled to cast more than fifty-one (51%) percent of the vote of the record lot owners.

## ARTICLE IX COMMITTEES

Section 1. "Committees". The Board of Directors shall appoint a chairperson to serve a one (1) year term from January through December of each year to the following standing committees:

- (a) Architectural Committee.
- (b) Property Beautification.
- (c) Safety.
- (d) Finance.

Section 2. Each committee shall consist of active members in good standing at least one (1) of which must be a member of the Board of Directors. Committee reports will be made at the annual Association meeting.

Section 3. The Board of Directors can replace a committee chairperson. The Board of Directors may appoint such other committees and sub-committees as may be necessary.

Section 4. "Architectural Committee" The Architectural Committee shall consist of three (3) members, and shall be governed by the applicable provisions set forth in the Restrictive Covenants.

Section 5. "Property Beautification Committee". The Beautification Committee shall consist of one (1) to three (3) members, and shall encourage and support property owners in



maintaining and improving the appearance and value of individual properties. Said committee is responsible for the maintenance and beautification of the common areas in the Subdivision.

Section 6. "Safety Committee". The Safety Committee will consist of as many representatives as are need to assure Summer Wood Subdivision is a safe place to live. The committee has the responsibility of organizing the homeowners into neighborhood groups and educating them to notice any suspicious person or persons or action, and report to their chairperson or the local police.

Section 7. "Finance Committee". The Finance Committee shall consist of three (3) members and shall audit the books and financial statement of the Association at the end of the fiscal year and submit a report within a reasonable period of time thereafter. In addition to an opinion on the accuracy of the books and statement, the report may contain any comments and recommendations the committee may have relative to the financial condition of the Association. Interim audits of the Association's books would be performed by the Finance Committee if requested by the Board of Directors. The treasurer cannot be a member of the Finance Committee.

Section 7. "Minutes". All committees shall keep regular minutes of their meetings.

## ARTICLE X BOOKS AND RECORDS

The books, records and official papers and documents of the Association shall be subject to inspection by any member upon fifteen (15) days prior written notice. The Articles of Incorporation and by-laws of the Association shall be available for inspection by any member of the Association at the principal office of the Association, where copies shall be made for sale at a reasonable price.

## ARTICLE XI CORPORATE SEAL

The Association shall have a seal in circular from having within its circumference the words: SWPOA, INC.

## ARTICLE XII AMENDMENTS

Section 1. "Method". These by-laws may be reviewed annually for appropriateness, and any part of them may be altered, amended, or repealed, and new ones adopted by a majority vote of the members in good standing of the Association present at the annual meeting of the members of the Association, or any special meeting of the members of the Association called for that purpose, and at which there is a quorum present.

Section 2. "Effective Dates". An amendment adopted as se forth above shall become effective only after being recorded in the minutes by the secretary.

Section 3. "Restrictions on Amendments". No amendment shall make any

changes in the qualifications for membership nor in the voting rights or assessment responsibilities of the members.

### ARTICLE XIII RULES AND REGULATIONS

Section 1. "Authority". The Board of Directors may in its discretion, and shall at the direction of the members of the Association holding two-thirds (2/3) of the total votes of the Association, adopt or amend reasonable rules and regulations concerning details of operation and use of the Association's property, including maintenance, conservation and beautification of the Association's property and for the health, comfort, safety and general welfare of the owners and occupants of Summer Wood Subdivision.

Section 2. "Notice". Written notice of the adoption or amendments of such rules and regulations and a copy thereof shall be furnished to each member of the Association prior to their effective date and a copy of current rules and regulations applicable to the subdivision shall be maintained at all times in the records of the Association.

### ARTICLE XIV NON-PROFIT STATUS

No part of the net earnings of the Association shall inure to the benefit of its members, directors, officers, or other persons except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the exempt purpose of the Association.

### ARTICLE XV INDEMNIFICATION

The Association shall indemnify a member(s) made a party to a proceeding because he/she is or was a director, or officer of the Association against liability incurred in the proceeding if:

(a) He/She conducted himself/herself in good faith;

(b) He/She reasonably believed:

(I) In a case of conduct in his/her official capacity for the Association, that his/her conduct was in its best interest;

(II) In all other cases that his/her conduct was at least not opposed to the Association's best interest;

(c) In the case of any criminal proceeding, he/she had no reasonable cause to believe his/her conduct was unlawful. The Association shall indemnify directors, officers, employees or agents of the Association for monetary damages for any breach of fiduciary duty in their capacity except that no indemnification shall be made to or on behalf of any director or officer, if a judgment or other final adjudication adverse to the director, officer, employee or



agent established his/her liability;

(I) For any breach of duty of loyalty to the Association or its members;

(II) For any act or omission not in good faith or which involves intentional misconduct or knowingly violating the law, or

(III) Any unlawful distribution under South Carolina Nonprofit Corporation Act as now in effect or hereafter amended. Such indemnification may be entitled, under any by-law, agreement, vote of members of the Association, statute or otherwise.

## ARTICLE XVI CONFLICTS

In the case of conflict between the Articles of Incorporation and these by-laws, the Articles of Incorporation control.

## ARTICLE XVII DISSOLUTION

Section 1. "Method of Dissolution" The motion to dissolve the SWPOA, Inc. shall be made at an annual or special meeting of the member of SWPOA, Inc. It shall include a statement on the distribution of assets, in conformity with Section 2 below. The motion shall include the statement that the dissolution motion shall be voted on at a special meeting to be called within not less than four (4) weeks nor more than eight (8) weeks after the first meeting which approved the first dissolution motion. Approval of the second motion to dissolve requires a two-thirds (2/3) vote of all eligible votes of members in good standing voting in person or by proxy, with a quorum present in accordance with Article III, Section 6 of these by-laws, and assent to the dissolution must be given by not less than two-thirds (2/3) of all lot owners by signing a copy of the dissolution motion.

Section 2. "Distribution of Assets". Upon dissolution of SWPOA, Inc., other than incident to merger or consolidation, the assets of SWPOA, Inc. shall be dedicated to the appropriate public agency to be used for the purposes similar to those for which SWPOA, Inc. was created.