## BY-LAWS OF HARBOR VIEW HOMEOWNERS' ASSOCIATION

These By-Laws prescribe the protocol and rules by which the Board of Directors will conduct the business and administration of the Harbor View Homeowners' Association on behalf of the Harbor View Subdivision lot owners. They exist to guide the Board and all property owners in establishing and maintaining a community that values the epitome of neighborly relations and good will between all members of the Association. These By-Laws as well as all other Association Restrictions, Covenants and Rules will be equally applied to all property owners without regard to status, affiliation or Board of Directors membership.

## ARTICLE I IDENTITY

Section 1. Name. The name of the corporation is HARBOR VIEW HOMEOWNERS'
ASSOCIATION (hereinafter referred to as the "Association") which was created and exists as a non-profit corporation under the laws of the State of South Carolina.

Section 2, Office of Association. The office of the Association shall be designated by the Board of Directors of the Association.

Section 3. Seal. The Seal of the Association shall bear the words "HARBOR VIEW HOMEOWNERS' ASSOCIATION" or an appropriate abbreviation thereof.

## ARTICLE II DEFINITIONS

Section I. General. All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HARBOR VIEW SUBDIVISION dated 10/29/96, as amended from time to time, and recorded in the Office of the Clerk of Court for Newberry County, South Carolina ("Declaration"), certain provisions of which Declaration may be repeated in full or in part and may be renumbered as they appear herein.

## ARTICLE III MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership. Every Property Owner shall be a member of the Association.
Section 2. Voting Rights. The Association shall have one (1) type of regular voting membership. Members shall be all those Owners of lots current in payment of all dues and assessments and in compliance with all covenant provisions. Each Member shall be entitled to one (1) vote for each Lot he/she owns. If a Single-Family Dwelling Unit is constructed on one or more lots, the owner shall have one vote for each original lot owned. When any Lot entitling the Owner to Membership as a Member of the Association has an owner of record of two (2) or more entities, those owners will have a total of (1) vote for each lot owned.

Section 3. Member to Have Power of Referendum in Certain Instances. Where specifically provided for herein, the Members, or some specific portion thereof shall have the power to approve or reject by referendum certain actions proposed to be taken by the Association including, without limitation, the levy
by the Association of any Special Assessment, and the addition or deletion of functions or services which the Association is authorized to perform. In the event that more than fifty percent ( $50 \%$ ) of the votes actually returned to the Association within the time specified by the Board of Directors in the referendum ballots sent to all members shall be in favor of such action, the referendum shall be deemed to "pass" and the higher percentage vote required to "pass" shall be specifically expressed herein, that the higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a referendum without complying with the provisions hereof. (Except for any votes that require a higher percentage listed in the Covenants.)

In the event of a dispute as to whether a Referendum is required, the following action may be taken:

Within thirty (30) days after the adoption by the Directors of any action which is, in the opinion of the Members, subject to a Referendum, a petition signed by not less than forty percent $(40 \%)$ of the total vote of the Membership of the Association or signed by a majority of the Directors may be filed with the Secretary of the Association requesting that any such action be either repealed or submitted to a vote of the Members, and the Secretary shall thereafter within thirty (30) days send out the referendum to all Members.

Section 4. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association (as distinguished from the Referendum) shall be as follows:

When a vote is required on a particular action, a quorum shall be required to pass the action, and a quorum shall consist of $30 \%$ by attendance or proxy of the total Membership of the Association. Should a quorum not be present at the first meeting, then a quorum of a second meeting shall consist of $20 \%$ by attendance or proxy of the total Membership. Should a quorum not be present, the Board will call a third meeting which will require a quorum of $10 \%$ by attendance or proxy of total Membership as well as the entire Board (this action will not conflict with any requirement listed in the Covenants).

Section 5. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing or by such methods as approved by the Board of Directors and published to the membership in a statement of intent to conduct such business; provided, however, that proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed to the Members by the Association. A non-returned proxy constitutes a vote of "YES" or "NO" by the member as designated on the proxy. (Proxies are limited as described in the Covenants.)

## ARTICLE IV

## MEETING OF MEMBERSHIP

Section 1. Place. All meetings of the Association Membership shall be held at the Community Shelter, or at such other place and at such time as shall be designated by the Board of Directors or the Association and stated in the Notice of Meeting, and shall be open to all Owners. Normal schedule of BOD meetings (unless changed by the Board of Directors) shall consist of each the third Thursday of March, June, September, and December. And normal Annual Membership Meetings (unless changed by the Board of Directors) shall be the second Saturday of October each year at 10 a.m.

Section 2. Membership List. The Board of Directors shall maintain a listing of all members of the Association.

Section 3. Notice of Meetings. All members shall be notified of proposed meetings in the Newsletter and calendar posted on the Association Website. Further, notification may be made by one or more of the following methods: email, USPS delivery, and hand delivery to subdivision residences. Referendum vote notification will be made as required by the Covenants.

Section 4. Annual Meeting. The annual meeting shall be on the second Saturday of each October (unless changed by the Board of Directors) at 10 am at the Community Shelter. Information on each meeting shall be listed in the Newsletter. The Annual Meeting will be used to transact such business as required to include the election of new officers for the Board of Directors.

## ARTICLE V

## DIRECTORS

Section 1. Composition of the Board of Directors. The Association shall be governed by a Board of Directors consisting of five Members as required by the Covenants. The Board of Directors may designate as many members to serve on committees as necessary to ensure necessary actions are taken in a timely manner. These committee members serve at the pleasure of the Board

Section 2. Qualifications and Selection of Board Members. Directors must be members of the Association and eligible to vote (see Article III Section 2).

Section 3. Term of Office. Members of the Board of Directors shall be duly elected at the annual Membership meeting of the Association. Election of officers shall be based on staggered terms of three years each (or less if filling a seat vacated short of a three year term) so that no more than two members are replaced in any year. Officers will not serve more than 6 continuous years unless no other members are willing or available to serve and each one year extension beyond the initial 6 years is specifically approved at the Annual membership meeting.

Section 4. Removal. Any Director elected by the Members may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at the annual meeting or at a meeting called for that purpose after notice of the meeting stating that purpose. A successor may then and there be elected by a majority vote of the Members to fill the vacancy thus created. Should the Members of the Association fail to elect a successor, the Board of Directors may fill the vacancy in the manner provided in Section 5 below.

Section 5. Vacancies on Directorate. If the Office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining members of the Board of Directors, though less than a quorum, as defined in ARTICLE VII, Section 5 below, shall choose a successor or successors, at any regular or special meeting of the Board of Directors. Such replacement Member of the Board of Directors shall hold office until the next annual or special meeting of the Members. Once designated as a replacement at the annual or special meeting of the Members, the replacement's term of service will be for a period identical to the term of the Director being replaced.

Section 6. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the Board of Directors, its presiding officer, the President, VicePresident or the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof. No Director shall continue to serve on the Board of Directors should he/she be more than thirty (30) days delinquent in the payment as a Member of any assessment against his/her Lot or Lots; and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by a majority of the Board of Directors then in office.

Section 7. Compensation. Directors are considered volunteers, and are not paid for normal duties performed, to include work associated with meetings, workday projects and minor repairs within the community. Directors may receive compensation for any professional service rendered to the Association, if approved by a two-thirds (2/3) majority vote of the Association membership. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties with advanced recorded approval of all other Board members. Nothing herein shall prevent the Director from receiving compensation for services rendered or products sold in the Corporation pursuant to an agreement unanimously approved and recorded by the other Directors.

## ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS
Section 1. Nomination. Nominations for election to the Board of Directors by the Members may be made by a Nominating Committee. Nominations may also be made from the floor at the meeting. The Nominating Committee may consist of a Chairman, who shall be a Member of the Board of Directors, and two other people who are Members of the Association. The Nominating Committee will be appointed by the Board of Directors to serve until the close of the annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee will make as many nominations for election to the Board of Director it deems appropriate but not less than the number of vacancies to be filled.

Section 2. Election. Election to the Board of Directors may be made by secret written ballot and/or proxy or by show of hands as determined by the Presiding officer and shall be held at the annual meeting of the Membership. At such election the Members or their proxies may cast in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes for each vacancy shall be elected. Members may only vote once for each nominee for each lot owned.

## ARTICLE VII <br> MEETINGS OF DIRECTORS

Section I. Regular Meetings. Regular meetings of the Board of Directors will be held every three months but no less than twice annually. Board members shall be notified prior to each meeting via email or phone along with an itinerary of the proposed meeting. All Board meetings will be open to all Members.

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 Members of the Board of Directors. At least two (2) days notice shall be given to all Members of the Board of Directors of the date, time, place and purpose of such meeting.

Section 3. Place of Meetings. Meetings of the Board of Directors shall be held at the community shelter located in Harbor View in Newberry County, South Carolina, whenever practical. Alternate locations may be designated by the President or a majority of Board members. However, this provision is in no way intended to invalidate in any way whatsoever meetings held somewhere other than Newberry County, South Carolina, as long as such meetings are proper in all other respects.

Section 4. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, the Presiding officer may waive notice of such meeting by signed written waiver placed in the minutes of the Association and such waiver shall be deemed equivalent to the giving of notice. Attendance by any Director at any meeting shall be a waiver of notice by him of the date, time and place thereof, unless such Director timely objects to such meeting or vote. If four of the Directors are present at any meeting of the Board without objections, no notice shall be required and any business may be transacted at such meeting.

Section 5. Quorum. At all meetings of the Board of Directors, a majority of the Members of the Board of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Members of the Board of Directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time.

Section 6. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting, by obtaining the approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors and shall be included in the minutes of the Association.

## ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law; or by the Declaration, or this Association's Articles of Incorporation, Declarations, Covenants, or Restrictions; or these By-Laws; or directed to be exercised and done by Owners. These powers and duties shall specifically include, but not be limited to, the matters hereafter set forth.

Section I. Powers. The powers of the Board of Directors shall specifically include, but shall not be limited to:
(a) adopt and publish rules and regulations governing the use of the Common Areas, Limited Common

Areas, if applicable and facilities located thereon, Common Property and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof.
(b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended for such time as may be determined by the Board of Directors after notice to the Member and hearing before the Board of Directors for any infraction of rules and regulations;
(c) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
(d) employ independent contractors, accountants, attorneys, engineers, or such other employees or agents as they deem necessary, and to prescribe their duties;

Section 2. Duties. The duties of the Board of Directors will specifically include, but will not be limited to the following:
(a) to cause to be kept a complete record of all its acts and corporate affairs;
(b) to supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
(c) to fix the amount of the Annual Assessment, Special Assessments, and Assessments for the use of Limited Common Areas against each property ownership form as defined in the Declaration not later than the first calendar quarter in each year;
(d) to send written notice of each Assessment to every Owner via any or combination of email, USPS mail, the Harbor View Website and hand delivery to subdivision residences;
(e) to enforce the lien rights against any Lot for which Assessments or costs are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay;
(f) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment;
(g) to procure and maintain adequate liability and hazard insurance on property owned by the Association in the form and amount required by the Board of Directors;
(h) to cause the Common Areas and Limited Common Areas and Common Property to be adequately
maintained;
(i) to review and amend, if appropriate, the annual budget as prepared by the Treasurer.
(j) to enforce the Restrictive Covenants and rules and regulations and if necessary, bring an action at law or in equity, against the Member to enforce same or recover damages resulting from the violations;
(k) to carry out and enforce the covenants, restrictions, approved guidelines, findings, directives, etc.

## ARTICLE IX LIABILITY OF THE DIRECTORS

Subject to the provisions of the South Carolina Non-profit Corporations Act, the Members of the Board of Directors, officers, employees, agents, managing agents or management firms (herein collectively referred to as "Agents") shall not be liable to the Owners or the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith.

Subject to the provisions of the South Carolina Non-Profit Corporations Act, the Association shall indemnify and hold harmless each of the Agents and its agents or employees against all contractual or tort liability to others arising out of contracts made, actions performed or omissions by the Agents on behalf of the Association unless any such contract, action or omission shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Agents shall have no personal liability with respect to any contract made, action performed or omission by them on behalf of the Association.

## ARTICLE X

## OFFICERS AND THEIR

## DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall consist of one each: President, Vice President, Secretary, Treasurer and Assistant Treasurer.

## Section 2. Election of Officers.

At the first meeting of all of the serving Board Members after the Annual meeting election of new Board Members, a discussion and vote will be conducted to determine which office the new member will hold. Newly elected Board Members may participate in this vote. Placement of serving Board Members into vacant offices may be made as deemed appropriate by vote of the Board of Directors and newly elected Board Members.

Section 3. Term. The officers of the Board may hold their position/title on the Board through their elected three (3) year term but may be reassigned during subsequent years as new members are brought onto the board. Any officer may be removed from office or from the Board with or without cause by the unanimous vote of the other four Board members.

Section 4. Duties. The duties of the officers are as follows:

## President

The President shall be the chief administrative officer of the Association. He or his designate shall preside at all meetings of the Owners and of the Board of Directors and shall see that orders and resolutions of the Board are carried out. He shall have general supervision over the affairs of the Association and other officers.

The President shall propose all initial meeting agendas and submit them to all other Board members for review, comment and amendment prior to all scheduled meetings of the Board or Annual Association meetings.

The President shall sign all leases, mortgages, deeds, contracts and other written instruments as required by vote of the Board of Directors. He shall perform all duties incident to his office or which may be delegated to him from time to time by the Board of Directors.

## Vice President

The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him from time to time by the Board of Directors. The Vice President will also have responsibility for overall subdivision maintenance and repair to include member workday scheduling and conduct. He shall solicit from subdivision area managers proposed maintenance or new work to be included in the Association's project listing. He will propose to the Treasurer an annual priority listing of maintenance or new work projects to be included in the Treasurer's Annual Budget proposal at the July Board meeting. The Vice President will ensure maintenance of a subdivision log which will be continuously maintained and copied annually o the Secretary for compilation into the Association's files.

## Secretary

The Secretary shall issue notices of all Board of Directors' meetings and all meetings of the Members and shall attend and keep the minutes of same. The Secretary shall have charge of all of the Associations' books, records and papers, except those kept by the Treasurer and Architectural Review Committee. The Secretary shall prepare minutes of the Directors' and Members' meetings and provide them for review to all Board members prior to the scheduled meeting at which they are usually approved and authenticate the records of the Association. The Secretary shall maintain the Association's email account and current record of all lot owners names and mail \& email addresses. This office will also notify all members of the annual meeting and all Board members of Board Meetings with inclusion of all agendas and all pertinent materials. The Secretary will also maintain all service records for all Board and Committee members and include the term expiration date for each Board Member in all meeting minutes. The Secretary shall maintain a paper record of all meetings as well as recording of all material chronologically (yyyy.mm.dd) identified on a rewriteable disk. The Secretary will have functional supervision over the Association Webmaster.

## Treasurer

The Treasurer shall be responsible for the collection, recording and disbursement of all Association funds. Has HVA Board responsibility for supervision of HVA Board Assistant Treasurer(s).

1. Collection duties:
a) Propose the draft Dues Notice on how it should be delivered to lot owners for the upcoming year at the December Board Meeting.
b) Complete deposit slip for each funds collection with source of funds annotated on the slip. For annual dues, deposit slip shall depict lot(s) for which the deposit is for. Stamp each check with HVA Stamp annotating "For Deposit Only." Make a copy of all deposit slips and at year end close out and submit the deposit slip copies to the HVA Secretary for inclusion in the closeout and recording of the HVA annual record.
c) Control the HVA Post Office Box key and ensure pick up of all HVA correspondence at least weekly.
2. Recording of funds duties:
a) Balance the checkbook at least monthly.
b) Maintain Master Dues Paid/Delinquencies/Lien Report (sample included).
a. Send a reminder notice (sample included) to all lot owners in arrears as of 30 April and not later than 15 May.
b. Send a certified letter including information regarding filing a lien (sample included) to all lot owners in arrears as of 30 Aug and not later than 15 Sept.
c. File a lien and send notification (sample included) to all lot owners in arrears of annual and/or previous year's dues no later than 30 September using the following procedure:
i. Using HVA lien filing form A(copy attached), deliver form and pay the $\$ 10$ filing fee at Newberry County Court House, Office of the Clerk of Court, 1226 College St, Newberry, SC
ii. To remove a lien once a lot owner pays the total amount in arrears, use HVA lien form B and pay a $\$ 10$ filing fee at the same location as i. above
c) Maintain Dues Spreadsheet (sample included).
d) Maintain and update monthly a Treasurer's Financial Report (sample included).
e) Provide a current Financial Report at each Quarterly Board meeting and at the Annual Lot Owners' Meeting.
f) Maintain HVA Certificate of Deposit (CD) Listing and make purchase and renewal of CDs as approved by the HVA Board.
3. Disbursement of funds duties:
a) Fill out tax forms and pay annual taxes no later than MARCH $15^{\mathrm{TH}}$ each year.
b) Pay bills for expenditures approved by the Board by motion unless it is an emergency payment in which case the payment will be approved retroactively by Board member email and by motion at the next scheduled Board meeting.
c) Pay bills in a timely manner no later than 30 days of receipt. Ensure each check is signed by another Board Member as well as the Treasurer.
4. Ensures the adequacy of training and experience of Assistant Treasurer(s) to perform assigned duties of the Treasurer in the absence of the Treasurer or when assigned as the Board Treasurer.

## Assistant Treasurer

The Assistant Treasurer shall serve at the direction of the Treasurer and shall have a term of office which does not duplicate the term of the Treasurer.

## ARTICLE XII <br> BOOKS AND RECORDS

The books, records and papers of the Association shall be available within a reasonable time frame upon request by any Member. These documents shall be reviewed in the presence of a Board member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member where copies can be purchased at a reasonable cost.

## ARTICLE XIII ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Annual, Special Assessments and Assessments for the use of and upkeep of the Limited Common Areas which are secured by a continuing lien upon the Lot against which the Assessment is made. Any Assessments which are not paid when due, shall be delinquent. Any Assessment not paid by the date due shall be subject to a late charge in an amount which shall be determined by the Board of Directors, and thereafter the amount due shall bear interest (beginning the $1^{\text {st }}$ day of the second month after the month the assessment is due) at One and one-half ( $1 \frac{1}{2} \%$ ) percent per month. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the property. No Owner
may waive or otherwise deny liability for the Assessments provided for herein by non-use of the Common Area, Limited Common Area or Common Property or abandonment of his Lot. The Owner shall be liable for all costs of collection including attorney's fees of not less than fifteen percent (15\%) of the amount due and for late charges as set by the Board from time to time.

## ARTICLE XIV COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in these By-Laws and an Architectural Review Committee (ARC). The Board of Directors shall retain authority for membership, membership terms of service, designation of leadership, and term of service for the committee itself for all Association committees. In addition, the Board of Directors may designate one or more committees or individuals with responsibilities provided in the Board resolution designating said committee.

## ARTICLE XV FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

## ARTICLE XVI INDEMNIFICATION

Subject to the provisions of the South Carolina Non-Profit Corporations Act, the Association and Owners shall indemnify every Director and every officer, his heirs, executors, and administrators, against all losses, costs and expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

## ARTICLE XVII <br> PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration or these By-Laws.

## ARTICLE XIII <br> AMENDMENTS

Section 1. These By-Laws may be amended at a regular or special meeting of the Association members by majority of the vote of those present at a duly called meeting at which a quorum exists as provided in Section 5 of ARTICLE III hereof and provided that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

Section 2. In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 3. The Board of Directors reserves the right to amend from time to time these By-Laws without the vote of members, which amendment shall include, but not be limited to, the right to correct errors or to conform with the requirements of VA, FHA, FHLMC, FNMA, State Housing Authority or insurers or purchasers of mortgage loans. Any such amendments made under this Article shall be presented to the Association members at the next scheduled annual or special member meeting for member majority approval.

