

BY-LAWS

of

Myrtle Beach R. V. Resort Homeowners Association, Inc.

A Corporation not for profit under
the laws of the State of South Carolina

1. Identity:

These are the By-Laws of Myrtle Beach R. V. Resort Homeowners Association, Inc., a non-profit corporation existing under the laws of the State of South Carolina, which has been organized for the purpose of administering the Declaration of Covenants, Conditions and Restrictions, Rules and Regulations of a recreational vehicle park identified by the name of Myrtle Beach R. V. Resort and is located upon the following lands in Horry County:

All and singular that certain tract or parcel of land lying, being and situate in the Little River Township, County of Horry, State of South Carolina, containing 34.752 acres, as more particularly described on a plat made by William H. Durden, dated January 28, 1986 and recorded in the Office of the Clerk of Court for Horry County in Plat Book 91 at Page 39, said plat being made a part hereof by reference.

ALSO: Those certain pieces, parcels or tracts of land lying, being and situate in Little River Township, County of Horry, State of South Carolina being described as follows:

- (1) 5.304 Acres (shown as marsh land)
- (2) 1.503 Acres (shown as being a part of Road S.C. 236), and
- (3) 0.289 Acres (shown as being contiguous to the 34.752 acres on the southeast corner,
- (4) 0.352 Acres (shown as being a part of Little River Neck Road).

said parcels being more particularly shown and described on a plat of William H. Durden, R.L.S., dated 28 January 1986, recorded in Plat Book 91 at Page 39 of the records of the Clerk of Court of Horry County, said plat being made a part hereof by reference.

Said property being subject to restrictions, reservations, covenants, agreements, rights of way and easements of record including but not limited to those shown upon the above referred to map.

a) The property includes the lands, the buildings, and all improvements and structures thereon located in Horry County, South Carolina known as Myrtle Beach R. V. Resort, except those lots and buildings retained by the Developer.

b) The provisions of these By-Laws are applicable to the Resort and the terms and provisions thereof expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Articles of Incorporation and which may be contained in the Declaration of Covenants, Conditions and Restrictions dated 21 July, 1987, recorded in the Office of the Clerk of Court of Horry County in Deed Book 1232 at Page 686, hereinafter called the "Declaration".

c) All present and future owners, tenants, further tenants, or their employees, or any other person that might use the property contained in said Park or any of the facilities thereof in any manner are subject to the regulations set forth in these By-Laws and to the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions.

d) The office of the Association shall be Drawer 389, North Myrtle Beach, South Carolina 29597 or at such other place as the Board of Directors may from time to time designate.

e) The fiscal year of the Association shall be from 1 May to 30 April.

f) The seal of the Association shall bear the name of the Association, and the word "South Carolina," the words "Corporation Not for Profit," and the year of incorporation.

g) The Developer, Myrtle Beach R. V. Resort Realty, Inc., reserves the right to develop the above described real estate as a recreation vehicle park.

2. Membership, Voting, Quorum, Proxies:

a) The qualifications of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in the Articles of Incorporation which are incorporated herein by reference.

b) A quorum at members' meetings shall consist of persons entitled to cast a majority (66/23 of the outstanding stock) of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof

shall constitute the presence of such person for the purpose of determining a quorum.

c) The vote of the owners of a recreational vehicle lot owned by more than one person or by a corporation or other entity shall be cast by the person named in a Certificate signed by all of the owners of the dwelling and filed with the Secretary of the Association, and such certificate shall be valid until revoked by subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.

d) The Association shall have two classes of voting membership: Class A membership shall be all owner-members as defined in the Declaration except the Developer and shall be entitled to one vote for each recreational vehicle lot owned; and Class B membership shall be the Developer who shall have four votes for each lot in which it holds an interest. Said stock shall be issued in accordance with the provisions of the Declaration and the Articles of Incorporation.

e) Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

f) Approval or disapproval of a dwelling owner upon any matters, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

g) Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, the Declaration, or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the dwellings represented at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. Annual and Special Meetings of Membership:

a) The Annual Members' Meeting shall be held at the office of the Association at 10:00 o'clock, A.M., Eastern Standard Time, on the third Saturday in May of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Saturday.

b) Special Members' Meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such Officers upon receipt of a

written request from members of the Association owning a majority of the R.V. Lot.

c) Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association, or other Officers of the Association in absence of said Officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Proof of such mailing shall be given by the Affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not been attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, wherever the latter percentages of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

d) At meetings of membership, the President, shall preside, or in the absence of him, the Vice President shall serve.

e) The order of business at Annual Member's Meetings, and, as far as practical, at any other members' meeting, shall be:

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|------------------------|----------------------------------|
| certifying of proxies | 1) Calling of the roll and |
| waiver of notice | 2) Proof of notice of meeting or |
| | 3) Reading of minutes |
| | 4) Reports of Officers |
| | 5) Reports of Committees |
| Inspectors of Election | 6) Appointment of Chairman of |
| | 7) Election of Directors |
| | 8) Unfinished business |
| | 9) New business |

10) Adjournment

4. Board of Directors:

a) The first Board of Directors of the Association and succeeding Boards of Directors shall consist of five (5) persons. At least a majority of the Board of Directors shall be members of the Association or shall be authorized representatives, officers or employees of a corporate member of the Association. Provided that so long as Myrtle Beach R. V. Resort Realty, Inc., hereinafter referred to as the Developer, owns five (5) or more lots then Myrtle Beach R. V. Resort Realty, Inc. shall have the right to designate and select a majority of the persons who shall serve as members of the Board of Directors of the Association. The power of the Developer to designate Directors as above referred to shall terminate on or before the 31st day of December 1995.

b) Election of Directors shall be conducted in the following manner:

1) Owner shall at the beginning of the election of the Board of Directors, designate and select that number of members of the Board of Directors which it shall be entitled to designate and select in accordance with the provisions of these By-Laws, and upon such designation and selection by Owner by written instrument presented to the meeting at which such election is held, said individuals so designated and selected by Owner shall be deemed and considered for all purposes Directors of the Association, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws.

2) All members of the Board of Directors whom Owner shall not be entitled to designate and select under the terms and provisions of these By-Laws, shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the Association immediately following the designation and selection of the members of the Board of Directors whom Owner shall be entitled to designate and select.

3) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors, except that should any vacancy in the Board of Directors be created in any Directorship previously filled by any person designated and selected by Owner, such vacancy shall be filled by Owner designating and selecting, by written instrument delivered to any Officer of the Association, the successor Director to fill the vacated Directorship for the unexpired term thereof.

4) At the first Annual Meeting of the membership the terms of office of the two Directors receiving the

highest plurality of vote shall be established at two years and the three Directors selected by Myrtle Beach R. V. Resort, Inc. Partnership shall serve until Myrtle Beach R. V. Resort Realty, Inc. Partnership no longer has a power as provided herein to select members of the Board of Directors. Thereafter, as many Directors of the Association shall be elected at the Annual Meeting as there are regular terms of office in Directors expiring at such time. The term of the Directors so selected at the Annual Meeting of members each year shall be for two (2) years expiring at the second Annual Meeting following their election, and thereafter until their successors are duly elected and qualified, or until removed in the manner elsewhere provided or as may be provided by law for the removal of Directors of South Carolina corporations for the profit.

5) In the election of Directors, there shall be appurtenant to each dwelling as many votes for Directors as there are Directors to be elected, provided, however, that no member or owner of any dwelling may cast more than one vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.

6) In the event that Developer, in accordance with the privilege granted unto it, elects any person or persons to serve on any Board of Directors of the Association, the said Developer shall have the absolute right at any time, in its sole discretion, to replace such person or persons with another person or other persons to serve on said Board of Directors. Replacement of any person or persons designated by the Developer to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or person to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Owner to any officer of the Association.

c) The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which time they were elected, and no further notice of the organization meeting shall be necessary provided a quorum shall be present.

d) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

e) Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than three (3) days' notice of a meeting shall be given to each Director, personally, or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

f) Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

g) A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except, as specifically otherwise provided in the Articles of Incorporation these By-Laws or the Declaration of Covenants, Conditions and Restrictions. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes may be required as set forth in the Articles of Incorporation, these By-Laws, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

h) The presiding Officer of Directors' meetings shall be the President. In the absence of the President, the Vice President shall preside.

i) Directors' fees, if any, shall be determined by the members.

j) The Board of Directors shall manage and direct the affairs of the Association and subject to any restrictions imposed by law, by the the Articles of Incorporation, or these By-Laws, may exercise all of the powers of the Association subject only to approval by the owners when such is specifically required of these By-Laws. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law, the Declaration of Covenants, Conditions and Restrictions, or these By-Laws, if it may deem necessary or appropriate in the exercise of its powers and shall include, without limiting the generality of the foregoing, the following:

1) To make, levy, and collect assessments against members and members' R.V. lots to defray the costs of the common areas and facilities of the R.V. lot, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;

2) The maintenance, repair, replacement, operation surveillance and the management of the common areas and facilities of the subdivision wherever the same is required to be done and accomplished by the Association for the benefit of its members;

3) The reconstruction of improvements after casualty and the further improvement of the property, real and personal;

4) To make and amend regulations governing the use of the common properties so long as such regulation or amendments thereto do not conflict with the Declaration of Covenants, Conditions and Restrictions which may be placed upon the use of such property under the terms of the Articles of Incorporation.

5) To contract for the management of the common areas and facilities in the subdivision project and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Covenants, Conditions and Restrictions to have approval of the Board of Directors or membership of the Association.

6) To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the Association, the Declaration of Covenants, Conditions and Restrictions and the regulations hereinafter promulgated governing use of the property in the resort.

7) To pay all taxes and assessments which are liens against any of the common areas other than R.V. Lot and appurtenances thereto and assess the same against the members and their respective dwelling subject to such liens.

8) To carry insurance for the protection of the members and the Association against casualty and liability.

9) To pay all costs of power, water, sewer and other utility services rendered to the common areas and not billed to the owners of R.V. Lot; and

10) To employ personnel for reasonable compensation to perform the services required for proper

administration of the purposes of the Association as well as the dismissal of said personnel.

k) The first Board of Directors of the Association shall be comprised of the five (5) persons designated to act and serve as directors in the Articles of Incorporation, which said persons shall service until their successors are elected at the first Annual Meeting of the members of the Association. Should any member of said first Board of Directors be unable to serve for any reason a majority of the remaining members of the Board of Directors shall have the right to select and designate a party to act and serve as a Director for the unexpired term of said Director who is unable to serve. Provided, if any Director appointed by the Developer shall be terminated or unable to serve, the Developer shall have the right to appoint his replacement.

l) The undertakings and contracts authorized by said first Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first Board of Directors duly elected by the membership so long as any undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association.

m) Directors may be removed from office in the manner provided by law for the removal of directors of South Carolina corporations for profit.

5. Architectural Review Board - An Architectural Review Board consisting of three or more persons shall be appointed by the Developer initially and thence by the Board of Directors of the Association for the regulation of the external design, appearance, use, location and maintenance of the properties and of improvements thereon in such a manner so as to preserve and enhance the value and to maintain a harmonious relationship among the structures and natural vegetation and topography as provided for in Article VII of the Declaration.

6. Additional Provisions About Meetings of Members and Directors:

(a) Notwithstanding anything contained in these By-Laws to the contrary any meeting of members or Directors may be held at any place within or without the State of South Carolina of which notice is given in the notice of any such meeting or notice of which is waived by any person otherwise entitled thereto at, during or after any such meeting.

(b) To the extent now or from time to time hereafter permitted by the law of South Carolina the Directors may take any action which they might take at a meeting of Directors without a

meeting, a record of any such action so taken, signed by each Director, to be retained in the Association's Minute Book and given equal dignity by all persons to the minutes of meetings duly called and held.

7. Offices:

(a) The executive offices of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices, except that the President shall not also be the Secretary and an Assistant Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

(b) The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall further have the power to approve (but not to disapprove) proposed purchases of lots and to waive the Association's right of first refusal in the manner specified in the Master Deed.

(c) The Vice President shall, in the absence or disability of the President, exercise the powers set and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

(d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors of President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

(e) The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

(f) The compensation of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association, nor preclude the contracting with a Director for the management of the Park.

8. Fiscal Management:

The provisions of fiscal management of the Association set forth in the Declaration of Covenants, Conditions and Restrictions and Articles of Incorporation shall be supplemented by the following provisions:

(a) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each R.V. Lot. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

(b) The Board of Directors shall adopt a budget for each fiscal year which shall contain estimates of the cost of performing the functions of the Association, including but not limited to the following items:

1) Common expense budget, which shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of common elements, landscaping, street and walkways, offices, swimming pool, utility services, casualty insurance, liability insurance, administration and reserves (operating and replacement); and

2) Proposed assessments against each member as set out in the Declaration.

Copies of the proposed budget and proposed assessments shall be transmitted to each member on or before May 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion levy an additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

(c) The Board of Directors shall levy general and special assessments as defined in Article V of the Declaration, the method of payment of such assessments and the due dates thereof which shall be on a monthly basis.

(d) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

(e) An audit or review of the accounts of the Association shall be made annually by a Certified Public Accountant, at the determination and discretion of the Board of Directors of the Association, and if such a review is made a copy of the report shall be furnished to each member not later than September 1 of the year following the year for which the report is made.

(f) Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total annual assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

9. Parliamentary Rules:

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the Statutes of the State of South Carolina.

10. Amendments to By-Laws:

Amendments to these By-Laws shall be proposed and adopted in the following manner:

(a) Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the Directors, or by members of the Association owning a majority of the residential units in the subdivision whether meeting as members or by instrument in writing signed by them.

(b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other Officers of the Association in absence of the President, who shall thereupon call a Special Joint Meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such Officer of the proposed amendment or amendments, and it shall be the duty of the

Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members if required as herein set forth.

(c) In order for such amendment and amendments to become effective, the same must be approved by an affirmative vote of the membership owning not less than 66 2/3% of the total number of lots in the subdivision. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Horry County, South Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members.

(d) At any meeting held to consider such amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented there at by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

11. Conflicts:

In the event of any conflict between the provisions of the Declaration and the provisions of these By-Laws, the provisions of the Declaration shall control.

Dated:

11/30/87


Secretary