

**MAJESTIC OAKS PROPERTY OWNERS ASSOCIATION, INC.**

**BYLAWS**

**ARTICLE I**

**OFFICERS**

1. **Name.** The name of the Association is **Majestic Oaks Property Owner's Association, Inc.**, hereinafter referred to as the "Association".
2. **Principal Office.** The principal office of the Association shall be P.O. Box 1498, Mt. Pleasant, South Carolina 29465.
3. **Registered Agent.** The registered agent for the Association shall be the Secretary as from time-to-time elected, unless otherwise agreed upon by the Members. For the purpose of service of process, the address of the registered agent shall be deemed an office of the Association.

**ARTICLE II**

**INTERPRETIVE PROVISIONS**

Definitions of terms and other provisions set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Majestic Oaks dated and recorded October 8, 1999, in the RMC Office for Charleston County, South Carolina, in Book ED, at page 488, are incorporated herein by reference and made a part hereof and shall control in the event of any conflict herewith.

**ARTICLE III**

**MEMBERS**

1. **Membership.** Every Owner of a lot which is subject to a lien for assessments shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

The Association shall have two classes of voting membership:

Class A: Class A Members shall be all Owners other than the Declarant. Class A Members shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Upon the termination of the Class B membership as provided below, the Class A Members shall include the Declarant.

Class B: The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot it owns as shown on the Plat for Majestic Oaks. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) the date on which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;
- (b) on December 31, 2004; or
- (c) when Declarant elects by notice to Association in writing to terminate its Class B membership.

2. **Annual Meetings.** Beginning in 1999, and thereafter, the Annual Meeting of the members shall be held at a date, time and location set by the Board of Directors.

3. **Special Meetings.** Special meetings of the Members may be called at any time by resolution of a majority of the Board of Directors, the request of the President, or by the President at the written request of the Declarant or of the request of 1/4<sup>th</sup> of the Class A Members. Any such request shall state the purpose or purposes of the special meeting requested. Business transacted at all special meetings shall be confirmed to the purposes as stated in the notice.

4. **Notice of Meetings.** Written notice stating the place, day and hour of meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed by first class prepaid mail or served upon each Member in person at such address as appears on the books of the Association, not fewer than ten (10) nor more than twenty (20) days before the date of the meeting in the case of

the annual meeting and not fewer than five (5) nor more than twenty (20) days before the date of the meeting in the case of a special meeting.

5. **Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10<sup>th</sup>) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporated, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time-to-time, without written notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business at the meeting or any adjournment thereof notwithstanding the withdrawal of enough Members to leave less than a quorum.

6. **Proxies.** At any meeting of Members, a Member may vote by proxy executed in writing and subscribed by the Member, filed with the Secretary of the Association, bearing date within six (6) months prior to said meeting. A Member may revoke a valid proxy for any meeting by appearing and voting in person at that meeting of Members, or by filing or having filed a substitute valid proxy or cancellation of proxy with the Secretary prior to the call to order of a meeting of Members.

7. **Consent Action.** Whenever the vote of Members at a meeting is required or permitted by any provisions of statute, the Declaration and Petition for Incorporated, or these Bylaws to be taken in connection with any corporate action, the meeting and vote of Members may be dispensed with, if all the Members who would have been entitled to vote upon the action, if such meeting were held, shall consent in writing to such corporate action being taken.

8. **Waiver of Notice.** Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed waiver by such Member of notice of the time, date, and place of the meeting, unless such 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 at the meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

## ARTICLE IV

### BOARD OF DIRECTORS

1. **General Powers and Authority.** The business and property of the Association shall be managed by the Board of Directors and they shall and may exercise all powers and authority of the Association except as limited by law, the Declaration and Petition for Incorporation, or elsewhere by these Bylaws, or as reserved to the Members. They shall have all power and authority to make all necessary rules and regulations for their government and for the regulation of the business of the Association which are not inconsistent with law, the Declaration and Petition for Incorporation, and these Bylaws and shall have general management and control of the Association. The Board shall also have the power to perform all functions of the Association pursuant to the Declaration. The Board of Directors may delegate from time-to-time to any committee, office or agent, such power and authority as may be permitted by law, except as expressly reserved to the Declarant in the Declaration.

2. **Number, Tenure, Qualifications.** The affairs of the Association shall be managed by a Board of five (5) directors except that the initial Board of Directors which serves until the first annual meeting of the Association shall consist of three (3) directors.

At the first annual meeting, the members shall elect two (2) directors for a term of one (1) year, and three (3) directors for a term of two (2) years; and at each annual meeting thereafter, the members shall elect directors for a term of two (2) years.

All directors must be members of the Association in good standing, except that the directors elected by the Class B Member need not be members.

The Directors shall be elected to serve until the next annual meeting and until their successors are elected and qualified or until their earlier resignation, removal from office, incapacity or death.

3. **Regular Meeting.** A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide, by resolution, the date, time and place but only within Charleston County, South Carolina, for the holding of additional regular meetings without other notice than such resolution.

4. **Special Meeting.** Special meetings of the Board of Directors may be called by the Executive Committee, a majority of the Board of Directors, or the President, and may be held at such time and place within Charleston County, South Carolina, as may be specified in the notice thereof. To the extent permitted by applicable law, special meetings of the Board of Directors, or any committee thereof, may be held by conference telephone communication.

5. **Notice of Meetings.** Notice of each special meeting of the Board of Directors, stating the time, manner and place of the meeting, shall be given by or at the direction of the Secretary of the Association by mailing the same to each director at his residence or business address not fewer than three (3) days before such meeting, or by giving the same to him personally or telegraphing or telephoning the same to him at his residence or business address not later than the day before on which the meeting is to be held.

Any and all requirements for call and notice of meetings may be dispensed with if all directors are present at the meeting or if those not present at the meeting shall at any time waive or have waived notice thereof.

6. **Quorum.** A majority of the number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time-to-time, without notice other than announcement at the meeting, until a quorum shall be present.

7. **Vacancy.** If the office of one or more Directors becomes vacant for whatever reason, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors, who shall hold office for the unexpired term created by the vacancy.

8. **Removal.** Notwithstanding anything to the contrary, including the South Carolina Nonprofit Corporation Act of 1974, Directors may be removed from the office prior to the expiration of their term for cause only as defined below, and then only by an affirmative vote of seventy-five (75%) percent of the Members.

(a) **Cause.** For the purposes of this paragraph, the term “for cause” refers to actions by a Director engaged in fraudulent or dishonest conduct, or gross abuse of authority or discretion, with respect to the Association; or a final judgment has been entered finding that the Director has violated a duty set forth in Section 33-31-830 through 33-31-833 of the Code, and such removal is in the best interest of the Association.

(b) Under no circumstances shall a Director be removed prior to the expiration of their term except for cause as defined in the subparagraph (a) above. No Director shall be removed prior to the expiration of their term without cause.

9. **Compensation.** Directors, as such, shall not receive any salary or compensation for their services; provided, however, a Director may serve the Association in another capacity and receive compensation therefor. The salaries and compensation for Directors for services other than as such shall be fixed by the Members.

10. **Nomination.** Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve until the slate of candidates is announced at the meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but no less than the number of vacancies that are to be filled. Such nominations shall be made from among Members.

11. **Election.** Election to the Board of Directors shall be by secret written ballot. 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 provision of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. elsewhere in these Bylaws, the Board of Directors shall set the salaries of all employees and agents of the Association.

## ARTICLE V

### COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committee as deemed appropriate in carrying out its purpose.

## ARTICLE VI

### OFFICERS

1. **Enumeration of Officers.** The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time-to-time by resolution create.
2. **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.
3. **Term.** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.
4. **Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time-to-time, determine.
5. **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, 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, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**6. Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**7. Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article. The duties of the Secretary and Treasurer may be performed by a designee as approved by the Board of Directors.

**8. Duties.** The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) 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 by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and

shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

## **ARTICLE VII**

### ***BOOKS AND RECORDS***

As more fully proved in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Upon a default by a member in payment when due of any assessments, the Board of Directors shall, in accordance with the Declaration, enforce the rights and remedies of the Association with respect to such default. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

## **ARTICLE IX**

### ***MISCELLANEOUS***

1. **Notices.** Unless otherwise provided in the Declaration, the Articles of Incorporation, or any other Association document, or elsewhere in these Bylaws, whenever notice is required or permitted to be given to any Director or Member, it shall not be construed to mean personal service, but may be given in writing by prepaid, first-class mail addressed to such Director or Member at such address as appears on the books of the Association. Such notice shall be deemed given when sent. Whenever notice is required to be given, a waiver thereof signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto.
2. **Fiscal Year.** The calendar year shall be the corporate operating year, beginning on January 1 and ending December 31 of each year. The Board of Directors may change the Association to such other fiscal year basis as the Board determines in the best interest of the Association.
3. **Statutory Powers.** The Association shall have all the powers and authority granted to corporations pursuant to the laws of the State of South Carolina, as the same may from time-to-time be amended, as if

the same were stated in full herein, subject to any limitations set forth in the Declaration and Association documents.

4. **Authority of Members.** No member, except as an officers of the Association, shall have authority or power to act for the Association or to bind it.

5. **Amendments.** These Bylaws may be added to, amended, or repealed by the majority affirmative vote of the Members present in person or by proxy at any regular meeting of the Members or at any special meeting, provided notice has been given as hereafter provided.

Subject to the foregoing right of Members to adopt, amend or repeal Bylaws, the Board of Directors shall have the power to adopt, amend, or repeal the Bylaws, by an affirmative vote of seventy-five (75%) percent of all directors then holding office, provided that notice has been given as hereinafter provided.

No meeting of Members or Directors shall be deemed competent to consider adoption, amendment, or repeal of Bylaws unless prior written notice of said meeting, whether regular or special, specifying said proposed change shall have been given to all Members or all Directors at least ten (10) days prior to the meeting, or said notice is waived by written waiver as provided elsewhere herein.

Any Member of the Association may propose a change to the Bylaws by written request to the President.

7. **Cautions; Gender; Number.** Captions to Articles and paragraphs herein are for convenience only and shall not be deemed to be a part of these Bylaws or limit anything contained herein. Whenever used herein, any gender shall include the others, the singular shall include the plural and the plural shall include the singular, whenever appropriate.

8. **Validity; Severability.** If any Bylaw or part thereof shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other Bylaw or part thereof.

9. **Indemnification.** To the extent permitted by and subject to the laws of the State of South Carolina, any present or former Director, officer or employee of the Association shall be entitled to reimbursement

of expenses and other liabilities including attorney's fees actually and reasonably incurred by him and any amount owing or paid by him in discharge of a judgment, fine, penalty or costs against him or paid by him in settlement approved by a court of competent jurisdiction, in any action or proceeding, including any civil, criminal or administrative action, suit, hearing or proceeding, to which he is a party by reason of being or having been a Director, officer or employee of this Association.

To the extent permitted by and subject to the laws of the State of South Carolina, the Association is authorized to purchase and maintain insurance on behalf of any present or former Director, officer, or employee of the Association, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such together with such costs, fees, penalties, fines and the like with respect thereto, all as set forth hereinabove.

This section is not intended to extend or to limit in any way the right and remedies provided with respect to indemnification of Directors, officers, employees and other persons provided by the laws of the State of South Carolina but is intended to express the desire of the members of this Association that indemnification be granted to such Directors, officers, employees and other persons to the fullest extent allowable by such laws.