

BY-LAWS  
OF  
LONGS POND ESTATES HOMEOWNERS ASSOCIATION

ARTICLE I  
IDENTITY

Section 1. Name. The name of the corporation is Long's Pond Estates Homeowners Association. (hereinafter referred to the "Association") which was created and exist 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 at the offices of The Mungo Company or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 3. Seal. The Seal of the Association shall bear the words "LONGS POND ESTATES HOMEOWNERS ASSOCIATION" or an appropriate abbreviation thereof.

ARTICLE II  
DEFINITIONS

Section 1. General. All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in that certain DECLARATION OF CONVENANTS, CONDITIONS AND RESTRICTIONS OF BELLECLAVE SUBDIVISION dated March 25, 1997, as amended from time to time, and recorded in the Office of the Clerk of Court for Lexington 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 owner, including The Mungo Company (hereinafter referred to as "the Declarant"), shall be a member of the Association. BYLAWS.doc Unger 4/19/2000

Section 2. Voting Rights. The Association shall have one (1) type of regular voting membership, and the Declarant, so long as it owns one (1) Lot or owns or has an option or contract to purchase any additional property which it may add to the Property shall have one (1) more vote than the total number of the other members. The members shall be all those Owners, including the Declarant, of Lots. A Member other than the Declarant shall be entitled to one (1) vote for each Lot he/she owns. If a Single-Family Dwelling Unit is constructed on more than one (1) Lot, the Owner shall have one (1) vote and shall have no additional vote for each other Lot comprising a part of the total consolidated home or building site so long as such Lot remains a part of the consolidated site.

When any Lot entitling the Owner to Membership as a Member of the Association is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants-in-common, tenants-in partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same Property, then an instrument shall direct who shall cast the vote or votes, and it or a copy thereof shall be filed with the Secretary of the Association.

Section 3. Cumulative Voting Prohibited. Each Member shall be entitled to the number of votes he is ordinarily entitled to, based on his ownership of property and may cast that number of votes for each Director to be elected, but may not cast all of such votes for any one (1) Director, and all votes must be cast in whole numbers and not fractions thereof.

Section 4. 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, with 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 two-thirds 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 action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to “pass” shall be specifically expressed herein, that 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.

In the event of a dispute as to whether a Referendum is required, the following actions 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 votes 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 with thirty (30) days send out the referendum to all Members.

Section 5 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:

The first time a meeting of the Members of the Association is called to vote on a particular action proposed to be taken by the Association, the presence at the meeting of the Members or proxies entitled to cast more than thirty percent (30%) of the total vote of the Membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be a quorum requirement of twenty percent (20%) of the total vote of the members of the Association for such second meeting. Unless otherwise provided, any reference hereafter to “votes cast at a duly called meeting” shall be construed to be subject to the quorum requirements established by this ARTICLE III, Section 5, and any other requirements for such “duly called meeting” which may be established by the By-Laws of the Association. This provision shall not apply when the proposed action is the amendment of the Declaration and the quorum requirement established by Part Four, ARTICLE II, Section 2 of the Declaration shall govern in that instance. For the purpose of this Section 5, “proper notice” shall be deemed to be given when given to each Member not less than ten (10) days prior to the date of the meeting at which any proposed action is to be considered. Provided, however, that so long as the Declarant owns one Lot in the Property or owns or has an option or contract to purchase any additional property, it may add to the Property, the presence of the Declarant in person or by proxy shall be required to have a quorum.

Section 6. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing; 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 Association by the Members.

#### ARTICLE IV MEETING OF MEMBERSHIP

Section 1. Place. All meetings of the Association Membership shall be held at the office of the Association, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting, and shall be open to all Owners.

Section 2. Membership List. The Board of Directors shall establish a record date not more than seventy (70) days prior to a meeting of the Association for determining the members entitled to notice of the meeting and a complete alphabetical list of Members of the Association on that date shall be prepared by the Secretary showing the address and number of votes each is entitled to vote. Such list shall be maintained in the office of the Association beginning the day after notice of the meeting is given through the meeting.

Section 3. Notice of Meetings Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized or qualified to call the meeting, by mailing first class a copy of such notice, with proper postage affixed, at least ten (10) days (but not more than sixty (60) days) before such meeting to each Member entitled to notice thereof, to the last known address of the person or entity who appears as Owner in the Associations Records, on the first day of the calendar month in which said notice is mailed. Notice to one (1) of two (2) or more co-Owners of a Lot shall constitute notice to all co-Owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor-in-title. Such notice shall specify the place, day and hour of the meeting and a description of any matter that must be approved by the members under South Carolina Non-Profit Corporations Act of 1994, and, in the case of a special meeting, the purpose of the meeting. Evidence of such notice having been given may consist of an Affidavit of Mailing evidencing that the requisite notice was posted at least ten (10) days prior to such meeting. Any member may waive notice before or after the date and times stated in the notice by written signed waiver and shall waive by attendance at a meeting unless he objects to the holding of the meeting at the beginning of the meeting.

Section 4. Annual Meeting. The annual meeting shall be held at time set each year by the Board commencing in 2001 and from year to year thereafter with at least ten (10) days but not more than sixty (60) days notice thereof by first class mail to each Member for the purpose of electing directors and transacting any other business authorized to be transacted by the Members. At the annual meeting, the Members shall elect new members of the Board of Directors by plurality vote and in accordance with ARTICLE V of these By-Laws, and shall transact such other business as may properly be brought before the meeting.

Section 5. Special Meeting. Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called

by the President of the Association and shall be called by the President or Secretary of the Association at the request , in writing, of Members owning twenty-five percent (25%) or more of the total votes of the Members of the Association, which request shall state the purpose or purposes of the proposed meeting.

Section 6.     Written Consent. Whenever the vote of Members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, action may be taken if eighty percent (80%) of the voting power shall consent in writing to such action being taken; however, notice of such action shall be given to all Members unless all Members sign a written consent to such action. The consents shall be made a part of the minutes of the Association.

Section 7.     Action by Written Ballot. Any action may be taken without a meeting, if written ballots meeting the required quorum and voting requirements are delivered to the Association in compliance with South Carolina Non-Profit Corporations Act, Section 31-31-708.

## ARTICLE V DIRECTORS

Section 1.     Composition of the Board of Directors. The Association shall be governed by a Board of Directors initially consisting of three (3) Members. The number of Directors, in subsequent years, which shall not be less than three (3), shall be determined by a majority vote of the Board of Directors.

Section2.     Qualifications and Selection of Board Members. Directors may be, but need not be, Members of the Association. Each Member shall be entitled to one vote. Cumulative voting shall be prohibited.

Section 3.     Term of Office. The initial Members of the Board of Directors (who are appointed by the Declarant) shall be appointed until three successors are duly elected. Thereafter, at the first annual meeting, the Members shall elect one (1) Director for a term of one (1) year, and the Declarant will appoint one (1) Director for a term of two (2) years and (1) One Director for a term of three (3) years; and at each annual meeting thereafter the Members shall elect Directors to fill the expiring terms for a term of three (3) years; no Director other than those appointed by Declarant shall serve more than two (2) consecutive terms. In the event the Board is expanded as permitted by Section 1 of the ARTICLE, the term of new Directors shall be staggered in similar fashion as directed by the Board.

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 a meeting called for that purpose after notice of the meeting stating that purpose. Any Director appointed by the Declarant may be removed by the Declarant. 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. Provided, however, that any Director removed by the Declarant shall be replaced by the Declarant.

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 for the balance of the unexpired term. Provided, however, the Declarant can appoint a replacement Director for any vacancy created by a Director appointed by the Declarant.

Section 6. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the Board of Directors, its presiding officer, the President 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 be more than thirty (30) days delinquent in the payment as a Member of any assessment against his Lot; 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 may receive compensation for any service he may render to the Association, if approved by a two-thirds (2/3) majority vote of the Membership. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties. Nothing herein shall prevent the Director from receiving compensation for services rendered or products sold in the Corporation pursuant to an agreement approved by the other Directors.

## ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Except as otherwise provided in Article V, nomination of the Members of the initial Board of Directors shall be made

by the Declarant; thereafter, nomination for election to the Board of Directors by the Members shall be made by a Nominating Committee. Nominations may also be made from the floor at the meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors and two (2) or more other people who may, but need not, be Members of the Association. The Nominating Committee shall 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 shall make as many nominations for election to the Board of Director as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Except for the appointments to the Board of Directors by the Declarant, election to the Board of Directors shall be by secret written ballot or by show of hands (as directed by the President of the Association) and shall be held at the annual meeting of the Members. 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. Cumulative voting is prohibited.

## ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least once every six (6) months without notice, at such date, place and time as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day, which is not a legal holiday. Although not required, notice of such regular meeting may be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the date of such meeting. All meetings of the Board, including special meetings in accordance with Section 2 below, shall 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 in Richland County, South Carolina, whenever practical. However, this provision is in no way intended to invalidate in any way whatsoever meetings held somewhere other than Richland County, South

Carolina, so 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, any Director 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 notice. Attendance by a Director at any meeting of the Board 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 all 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 be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such 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 and shall constitute his vote for such action.

Section 6. Action Taken Without a Meeting. The Directors shall have the right to take action in the absence of a meeting which they could take a meeting by obtaining the written 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 POWER 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, this Association's Articles of Incorporation, or these By-Laws, directed to be exercised and done by Owners. These powers and duties shall specifically include, but shall not be limited to, the matters hereinafter set forth.

Section 1. Powers. The powers of the Board of Directors shall specifically include, but shall not be limited to the following:



- (a) to 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) to 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 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) to exercise or delegate for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) to 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; and
- (e) to employ a manager, independent contractors, accountants, attorneys, engineers, or such other employees or agents as they deem necessary, and to prescribe their duties;
- (f) to secure Officers and Directors Liability Insurance covering the Officers and Directors of the Association at the expense of the Association;
- (g) to borrow money to meet the financial needs of the Association and to mortgage the property of the Association and to pledge the revenues of the Association as security for such loans made to the Association in the proceeds of which loans shall be used by the Association in performing its authorized functions.

Section 2.

Duties. The duties of the Board of Directors shall specifically include, but shall 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) as more fully provided in the Declaration, to:
  - (1) fix the amount of the Annual Assessment, Special Assessments, Assessments for the use of Limited Common Areas against each property ownership from as defined in the Declaration not later than the first calendar quarter in each year;

- (2) send written notice of each Assessment to every Owner subject thereto as soon as practicable after the fixing hereof;
  - (3) 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 the same;
- (d) 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 insurance of these certificates. If a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) 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;
- (f) to cause all officers, agents or employees of the Association having fiscal responsibilities to be bonded, with fidelity bonds in the form and amount required by the Association, and the premium on such bonds shall be paid by the Association;
- (g) to cause the Common Areas and Limited Common Areas and Common Property to be adequately maintained;
- (h) to review and amend, if appropriate, the annual budget as prepared by the Treasurer in accordance with ARTICLE X, Section 8 hereof.
- (i) 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.
- (j) To carry out and enforce the guidelines, findings and directives (fines, etc) of the ARB.

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, officer, employees, agents, managing agents or management firm (herein collectively referred to as “Agents”) shall not be livable 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 Corporation 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 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. It is understood and permissible and shall not be deemed to be self dealing for the Association to contract with the Declarant or with corporations or other entities owned, controlled or affiliated with the Declarant.

ARTICLE X  
OFFICERS AND THEIR DUITES

Section 1. Enumeration of Officers. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. The President, Vice President, Secretary and the Treasurer may be the same person or two or more persons.

Section 2. Election of Officers. The election of officers shall take place at the organization meeting of the Board of Directors following within ten (10) days after each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year and until their successors are chosen and assume office in their stead unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Appointive Officers. The Board of Directors may appoint Assistant Secretaries and Assistant Treasurers and such other officer 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 of Directors may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time 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, and unless otherwise specified therein, the acceptance or acknowledgement of acceptance of such resignation shall not be necessary to make it effective.

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

Section 7. Multiple Offices. The offices of President, Vice President, Secretary and Treasurer may be held by the same person or two or more persons. No person shall simultaneously hold more than one of any of the other offices except in the case of appointive offices created pursuant to Section 4 of this ARTICLE.

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

#### President

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Owners and of the Board of Directors; shall see that orders and resolutions of the Board are carried out. He shall have executive powers and general supervision over the affairs of the Association and other officers. The President shall sign all leases, mortgages, deeds, contracts and other written instruments as required by resolution of the Board of Directors. He shall perform all of the 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.

#### 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. The Secretary shall prepare minutes of the Directors and Members meetings and authenticate the records of the Association. The Assistant Secretary shall perform duties of the Secretary when the Secretary is absent.

#### Treasurer

The Treasurer shall:

- (a) have custody of the Association's funds and securities, except the funds payable to any management firm, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such insured depositories as may be designated from time to time by the Board of Directors;
- (b) disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association;
- (c) collect the Assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors;
- (d) give status reports to potential transferees on which reports the transferees may rely;
- (e) If directed to do so by the Board of Directors, cause an annual audit of the Association to be completed in a timely fashion by a certified public accountant selected by the Board of Directors and the results of such audit shall be reported to the Board of Directors and the Members;
- (f) In conjunction with the Association's accountant and such other persons as the Board of Directors may designate, shall prepare an annual budget for consideration, modification, if appropriate, and ultimate approval by the Board of Directors;
- (g) The duties of the Treasurer shall be performed by the Assistant Treasurer when the Treasurer is absent;
- (h) The duties of the Treasurer or Secretary may be fulfilled by a management firm employed by the Association, in which event such management firm shall have custody of the books of the Association.

ARTICLE XII  
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member or the principal office of the Association, where copies may be purchased at reasonable costs.

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 Limited Common Areas which are secured by a continuing lien upon the Lot against which the Assessment is made. Any Assessment not paid within thirty (30) days after the due date 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 from the due date at One and one-half (1 ½) 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. In addition, the Board of Directors shall designate one or more committees or individuals which, to the extent provided in the resolution designating said committee, individual or individuals, shall have the powers of the Board of Directors in the management of affairs and business of the Association. The committee, committees, individual or individuals shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required.

ARTICLE XV  
FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVI  
CORPORATE SEAL

The Association shall have a seal in the circular form having within its circumference the words: LONGS POND ESTATES HOMEOWNERS ASSOCIATION, or an appropriate abbreviation thereof.

ARTICLE XVII  
INDEMNIFICATION

Subject to the provisions of the South Carolina Non-Profit Corporation 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 XVIII  
PARLIMENTARY 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 or a Decision to the contrary by the Board.

ARTICLE XIX  
AMENDMENTS

Section 1. These By-Laws may be amended at a regular or special meeting of the Members by majority of the vote 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. No amendment of the By-Laws which changes Declarant's

voting rights must be approved by Declarant in writing, which approval may be withheld by Declarant in its sole discretion.

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. Declarant 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 scrivener's errors or to conform with the requirements of VA, FHA, FHLMC, FNMA, State Housing Authority or insurers or purchasers of mortgage loans.