BYLAWS OF RIDGECREEK HOMEOWNERS ASSOCIATION, INC...

THESE BYLAWS are made on the date hereinafter set forth by the Ridgecreek Homeowners Association, Inc., a South Carolina non profit corporation, hereinafter referred to as the "Association".

ARTICLE I OFFICERS

1. Name

The name of the corporation is RIDGECREEK HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association"

2 Principal Office

The principal office of *the* Association shall be located in South Carolina. The Association may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

ARTICLE II INTERPRETIVE PROVISIONS

Definitions of terms and other provisions set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for RIDGECREEK Subdivision, Phase II dated September 14, 1~4 and recorded September 15, 1994, in the Office of the Register of Deeds for Richland County, South Carolina in Deed Book D—1219 at page 545, and Declaration of Covenants, Conditions, Restrictions and Easements for RIDGECR~EI< Subdivision, Phase III dated September 12, .1995 and, recorded September 18, 1995 in the Office of the Register of Deeds for Richland County, South Carolina in Deed Book D—1279 at page 462 (hereinafter collectively referred to as the "Declaration1") are incorporated herein by reference and made a part hereof and shall control in the event of any conflict herewith.

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ARTICLE III MEMBERS

1. Membership

The Members of the Association, hereinafter referred to as "Members", shall at all times be limited to the Declarant and Owners of Lots in RIDGECREEK SUBDIVISION Phase II and Phase III and any future Phases or Properties annexed in or merged into Phases II and III. Membership shall be appurtenant to title. of each lot and may not be separated from ownership of any Lot which is subject to assessment and shall be transferable only as part. of the fee simple title to each lot.

2. Voting Rights.

The Association shall have Two classes of voting membership;

Class A.

So long as there is Class B membership Class A Members shall be all Owners other than the Declarant and shall not be entitled to vote. Upon termination of Class B membership Class A members shall be all Owners, *including* Declarant, so long as Declarant is an Owner, Each Owner 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.

Class B.

The Class S Member shall be the Declarant and as long as there is Class B voting membership, the Declarant shall have sole voting power. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when all the lots in Ridgecreek have been fully developed and sold to permanent residents
- (b) on December 31, 2003 or
- (c) when Declarant elects by notice to Association in writing to terminate its. Class B membership.

3. Annual Meetings.

The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association and each subsequent regular annual meeting of the Members shall be held at such place or such date and at such time as the Board of Directors shall fix and set forth in the notice of the meeting. All meetings shall be held at the principal. office. of the Association or at such place in Richland County,, South Carolina as shall be stated in a notice thereof by the Board of Directors.

4. 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 a majority of the Members. Any such request shall state the purpose or purposes of the special meeting requested. Business transacted at all special meetings shall be confined to the purposes as stated in *the* notice.

5. Record Date,

For the purpose of determining, Members entitled to notice of or to vote at any meeting of Members., *or* any adjournment thereof, or entitled to express consent to a corporate action in writing without a meeting, the Board of Directs may fix.. in advance, a date as the record date for any such determination of Member' a which date shall not be more than sixty (60) days nor less than five (5) days before *the* date of such meeting.

If the Board of Directors does not fix a record date for any meeting, of the Members, the record

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date for determining Members entitled to notice of or to vote 'at such meeting shall be at the close of business on the day *on which* the Board of Directors adopts the resolution relating to such 'meeting.

A determination of members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting; provided, however, that the Board 'of 'Directors may fix a new record date for the adjourned *meeting*.

6. 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 corporation, not fewer than ten (10) nor more than forty (40) days before the date of the meeting in the case of the annual meeting and not fewer than five (5) nor more than forty (40) days before the date of the meeting in the case of a special meeting.

7. Membership List.

At least ten days before the annual meeting, a complete list of the Members entitled to vote at said meeting, arranged numerically by Lot designation with the resident address of each, shall be prepared by the Secretary. Such list shall be available for inspection by any Member at the corporation's principal office for the period of time prior to the meeting, shall be kept and produced at the time and place of the annual meeting during the whole time thereof, and shall be subject to the inspection of any Member present at such meeting.

8. Quorum.

A majority of all the votes of those entitled to vote., present in person or represented by proxy, shall be required and shall constitute a quorum at the first meeting of the Members for the. transaction of business, except as otherwise provided by statute, *the* Declaration and Articles of Incorporation or these bylaws. If a quorum shall not be present in person and by proxi at such meeting of the Members, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. When a quorum is present at any meeting, the vote of a majority of the Members present in person and by proxy shall decide the questions brought

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before each meeting, unless the question is one upon which by express provision of statute, the Declaration and Articles of Incorporation, or these bylaws a different vote is required, in which case such express provision shall govern and control the decision of such question.

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, provided that the remaining Members present in person or by proxy constitute at least fifteen (15% percent of the total votes of the Association, and provided further that any action taken is approved by at least a majority of the Members required to 'constitute a quorum

9. 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 or proxy shall be deemed a waiver by such Member of notice of *the* time., date, and place thereof, unless such Member specifically objects to lack of proper notice at the tine the meeting is called to order. Attendance at a special meeting shall *also* be deemed a waiver of notice of al]. business transacted thereat unless objection to the call or convening of the meting, of which proper notice was not given, is raised before the business is put to a vote.

10. Adjournment of Meetings.

If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present or represented at. such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the Original meeting was called. At the reconvened meeting, if a quorum is not present, any business which might have been transacted at the meeting originally called may be transacted. To constitute a quorum at a reconvened meeting, those entitled to vote, present in person or represented by proxy shall total one half (1/2) of the votes required to establish a quorum at the preceding meeting. If a time and place for reconvening the meeting is not filed by those in attendance at 'the original meeting or if for any reason a new date is filed for reconvening the meeting after adjournment, notice of the time and place for reconvening, the meeting shall be given to Members in the manner prescribed for regular meetings.

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The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that the remaining Members present or represented constitute at least fifteen (15%) percent of the total votes of the Association, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum,

11.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 'corporation, dated within six 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.

12.Consent Action.

Whenever the vote of Members at a meeting is required or permitted by any provisions of statute, the Declaration and Articles of Incorporation, or these bylaws to be taken in connection with any corporate action, 'the meeting and vote of Members may be dispensed with, if a].]. 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.

13. Action Without Formal Meeting.

Any action taken at a meeting of the Members or any action that may be taken at a meeting of the Members may be taken without a meeting if one or more written consents, setting forth the action so taken, shall be signed by Members holding the voting power required to pass such action at a meeting held on the date that the last consent is executed and. such action is consented to by the Declarant, if required. Such action shall be effective upon receipt by the Association of a sufficient number of such consents executed by current Members unless a 'later effective date is specified therein. Each signed consent shall be delivered to the Association and shall be included in the minutes of meetings of Members filed in the permanent records of the Association.

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14. Action by Written Ballot.

Any action to be taken at any annual, regular or special meeting of Members may be taken without a meeting if approved by written ballot by at least sixty-seven (67%.) percent of those entitled 'to vote. The Association shall deliver a written ballot to each member entitled' to vote on the matter. The written ballot shall set forth each purposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot ~.f an action shall only be valid when the number of votes cast by ballot equal or exceeds sixty-seven (67%) percent of those entitled to vote. All solicitation for votes by *written* ballot shall indicate the number of responses needed to meet these requirements: and specify the time by which a ballot must be received by the Association in order to be counted, A timely written ballot received by the Association may not be revoked without the consent of the board of Directors. The results of an action by written ballot shall be certified 'by the Secretary and shall be included in the minutes of meetings of Members filed in the permanent records of the Association.

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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 corporation except as limited by law, the declaration and Articles of 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 far- their government and for the regulation of the business of the Association which are not inconsistent with law, the Declaration and Articles of Incorporation, and these Bylaws and shall have general management and control of the Association. 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 or Articles of Incorporation including but not Limited to the Declarant's rights under the Architectural Control Committee.

2.. Number, Tenure, Qualifications and Election.

The initial Board of Directors shall consist of three (3) directors however the number of directors on the board shall increase to five (5) at the first annual meeting and thereafter by two (2) each year until there is a board of nine Directors. The Board of 'Directors shall remain at nine, unless changed by amendment of the By—Laws of the Association.

The initial Board of Directors shall consist of three directors who shall serve until the first annual meeting. At the first annual meeting the Members shall elect five (5) directors for a term of one year. At the second annual meeting the Members shall elect seven (7,) directors for a term of one year. At the third annual Meeting the Members shall elect three (3) directors

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

Directors must be Members of the Association or nominees of corporate Members, except as provided in the Declaration and Articles of Incorporation with respect to the initial Board of

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Directors

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.

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 from the close of such annual meeting until the close of the next annual meeting and Such appointment shall be announced at each annual meeting.

3. Regular Meetings.

A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provi4e, by resolution, the date, time and place but only within Richland County, South Carolina, for the holding of additional regular meetings without other notice than such resolution.

4. Special Meetings.

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 Richland 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 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 the day 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 ox 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 a 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 and Removal.

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 unexposed term created by the vacancy. Vacancies in the initial Board of Directors shall be filled as provided for in the Declaration and Articles of Incorporation.

Directors may be removed from office for cause by an affirmative vote of the majority of the Members.

8Compansation.

Directors, as such, shall not receive any salary or compensation for their services; provided₁ however, a director may serve the corporation in another capacity and receive compensation therefore. The salaries and compensation for directors serving the corporation in other opacities shall be fixed by the Members.

9, Salaries of Employees and Agents.

Except as provided elsewhere in these Bylaws, the Board of Directors shall set the salaries of all

employees and agents of the corporation.

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ARTICLE V COMMITTEES

3. Executive Committee.

The Board of Directors may, by resolution passed by a majority of the whole Board, designate an Executive Committee to consist of two or more of the Directors of the corporation, which, to the extent provided in said resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation and to. do all things, including actions specified by these Bylaws to be pert armed by the Board of Directors, in the same manner and with the same authority and effect as if such acts had been performed by the Board of Director~ but the Board of Directors shall at all, times have the power to reverse any action taken by the Executive committee, provided that the exercise of such power by the Board of Directors shall not in any way abrogate the obligations or duties owing by the corporation to third parties who have acted in reliance on the action taken by such committee

All proceedings and action taken by such committee shall be reported to the Board of Directors at the regular meeting of the Board or special meeting called for such purpose next following such proceedings or action.

2. Architectural control Committee.

Declarant₁ as provided in the Declaration shall be the Architectural Control Committee, until all Lots have been fully developed, permanent improvements constructed thereon and sold to permanent owners, or such earlier time if Declarant shall notify the Board that Declarant's rights and obligations have been modified or terminated *and*, thereupon, the Board shall establish a successor Architectural Control Committee, and prescribe rules and regulations pursuant to which such Committee shall act,

3. Rules Committee.

In addition to any other committees, which may be established by the Board of Directors

pursuant to Section 3. of this Article, the Board of Directors may appoint a 9ules Committee. Acting in accordance with the provisions of the Declaration, the Bylaws, and resolutions, the Board of Directors may adopt Rules and Regulations governing the conduct of the Members and all other persons subject to the jurisdiction of the Association. The Rules Committee, if established, shall be the hearing tribunal of the Association and shall conduct all bearings held pursuant to Article XI of these Bylaws.

4. Other Committees.

There may be such other committees consisting of directors and officers of the corporation as the Board of Directors may from time to time appoint.

5. Compensation.

Members of committees, as such, shall not receive any salary or compensation for their services; provided, however, that a committee member may serve the corporation in another capacity and receive compensation therefore

6.Annual Statement.

The Board of directors shall present at each annual meeting, and when called for by vote of the Members at any special meeting of the Members, a full and clear statement of the business and condition of the corporation. The annual statements shall include profit and loss statements and balance sheets prepared in accordance with sound business and generally accepted accounting principles and copies thereof shall be given to each Member.

ARTICLE VI OFFICERS

1, Designation and Number.

The officers of the Association shall be chosen by the Board of Directors and shall be a President, a Vice—President, a Secretary, and a Treasurer. The Board may also choose additional vice—presidents and one or more assistant secretaries and treasurers. Any two of said offices may be held by the same person at the same time, except that the President and/or Vice—President may not also be the Secretary or Treasurer. The officers shall have such authority, powers and duties as the Board may designate and determine not inconsistent with the law the Declaration and Articles of Incorporation, or other provisions of these Bylaws.

2. Election and Tenure.

The officers of the Association shall be elected annually at the first regular meeting of the Board of Directors held after each annual meeting of Members, or at a special meeting called for that purpose if for any reason officers have not been elected at such first meeting.

The officers of the Association shall hold office until their successors are duly elected and qualified. My officer elected or appointed by the Board may be removed from office by the Board at .any regular or special meet mg called for that purpose; and any vacancy in any office, however caused, may be filled by the Board at any regular or special meeting called for that purpose for the remainder of the un expired term of such office.

3. Other Officers and Agents.

The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

4. Compensation.

Officers, as such, shall not receive any salary or compensation for their services; provided, however, that an officer may serve the corporation in another capacity and receive compensation therefore,

5.The. President.

The President shall be the chief executive officer of the corporation and shall preside at all meetings of the Members and directors. He shall be an ex officio member of all standing Board committees, shall have general and direct management of the business of the corporation, and

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shall be responsible for seeing that all orders and resolutions, of the Board are carried into effect.

6.The Vice President(s).

The Vice President (s), in the order of their seniority if there be more than one, shall, in the absence or disability of the President, perform the duties and exercise the authority and powers of the President, and shall have such other authority and powers and perform such other duties as the Board of Directors may from time to time direct by resolution.

7. The Secretary.

The Secretary shall attend all meetings of the Board and of the Members and record all motes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees. The Secretary shall give, or cause to be given, notice of all meetings of Members, committees and special meetings of the Board and shall have such other authority and power and perform such other duties as the Board of Directors may from time to time direct by resolution. The Secretary shall have custody of the corporate seal and shall affix the same to any instrument requiring It and, when so affixed, it shall be attested by the signature of the Secretary or an Assistant Secretary.

Assistant Secretaries, in order of their seniority, shall, in the absence or disability of the Secretary, exercise the authority and powers arid perform the duties of the Secretary and, shall perform such other duties as the Board of Directors may from time to time direct by resolution.

8. The Treasurer,

The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts, of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the corporation as may be ordered by the Board, requiring receipt of proper vouchers, and shall render to the President and Board, at the regular meetings of the Board, or whenever they may require it, an account of all the Treasurer's transactions and of the financial condition of the corporation.

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Upon written request as provided in Article VI, paragraph 6 of the Declaration, the Treasurer shall provide a certificate as to the status of payment of assessments with respect to the requesting Members. Assistant Treasurers, in order of their seniority, shall, in the absence or disability of the Treasurer, exercise the authority and powers and perform the duties of Treasurer and shall perform such other duties as the Board of Directors may from time to time direct by resolution,

ARTICLE VII BOOKS AND RECORDS

1. Accounting and Transfer Records.

The Association shall m4ifltain accounting records in accordance with sound business, and generally accepted accounting principles and shall maintain accurate and current records of Members, Assessments, whether Regular, Special or Extraordinary, reserves and Surplus. All such corporate books and records shall be available for inspection by the Members at all reasonable hours. Such records shall include, in addition to the foregoing and those listed in Article VI, paragraph 8 of these Bylaws, the following:

An account for each Member designating the name and address of such 'Member, the amount and due dates of any Assessments, the amounts paid and the balance due,

A record of any Mortgages or other lien holders who have requested the Association in writing that they be registered and given notice of default in the event of nonpayment of any assessments. No responsibility by the Association is assumed with respect to said register except that the Association will endeavor to give any such notice but failure to do so shall not affect any of the Association's, rights with respect to its Assessments and any lien it may have for them.

2. Maintenance of Records,

The Treasurer shall be responsible for maintaining the aforesaid accounting and transfer records and for recording all accounts and registrations therein.

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ARTICLE VIII DUES AND ASSESSMENTS

1. Dues.

Within Sixty (60) days of incorporation of the Association or at the first meeting of the Board of Directors of the Association whichever is later and in future years not later than thirty (30) days prior to the commencement of each Fiscal Year thereafter, the Board of Directors will set the dues and tees to be charged Members for the ensuing Fiscal Year unless sooner changed by the Board of Directors.

The Board shall send a notice of the amount of the dues applicable to each Member for the following year to each Member. Failure of the Board to deliver or mail each Member a dues notice shall not, be deemed a waiver, modification, or a release of any Member from the obligation to pay dues. in such event the. dues in effect for the then current year shall continue for the succeeding year until such time as the new dues 'have been determined. on or before the first day of the month (Or such longer time period as specified by the Board of Directors from time to time) during the fiscal year by all members of the Association.; The Board of directors reserves the right to set the amount of dues to be payable by members as stated in the declaration, but dues payable for each membership for 1999 shall not exceed Eight Hunderd (\$800) Dollars per annum and for each year thereafter, dues payable for membership shall increase as deemed necessary by the Board of Directors of the Association. All dues and fees will be applied first against the Association's operating costs. It shall be the policy of the Association that the dues, plus other receipt by the Association shall be sufficient, insofar as possible to project, to meet the annual operating needs of the Association. An operating deficit or surplus shall be identified and dealt with in accordance with section 2 of this Article. The Board of Directors shall be entitled to accumulate a reserve fund by including in the annual dues an amount not to exceed fifteen (15%) percent of the annual expenses of the Association.

2. Assessments.

At the conclusion of each Fiscal Year, financial statements may be prepared with the assistance of certified public accountants for the Association indicating total receipts and expenditures and identifying any surplus or deficit for such Fiscal Year. Any surplus may be utilized to supplement dues for the ensuing Fiscal Year, Any deficit shall be made up by assessing all Members on an equal basis. There will be no assessment for capital expenditures unless approved by the affirmative vote or written consent or any combination thereof of Lot Owners representing at least sixty *seven* (6Th) percent of the total votes in the Association. All assessments made hereunder shall be due and payable no later than thirty (30') days after written notice of assessment is given, unless otherwise specified by the Association

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ARTICLE VIII DELINQUENCIES

Each Member is obligated to pay to the Association annual dues arid as3essaents which are secured by a continuing lien upon the property against which the assessment is made Any Member failing 'to pay or any former Member who has failed to pay any portion of his Membership dues or other sums payable to the Association within thirty (30) days after same becomes due shall be charged interest on the delinquent amount from the due date at the rate of twelve percent (12%) per annum or the highest rate allowed by law, whichever is lower and the Association may commence a legal proceeding against tie Member or former Member to collect all amounts due and owing, plus legal fees and all other costs of collection and also the Association may fine the Member and/or set off all amounts which may' be due and owing the Association against sums due the delinquent Member, if any. No Member may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot'.

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ARTICLE X RESPONSIBILITIES AND ENFORCEMENT

1. Management Control.

The Association shall own the Common Area and be responsible for the management and control of activities of all Owners and occupants of any lot relating 'to the ownership, operation, maintenance or repair of the Common Area.

2.Member liability.

Every Member shall be liable for any property damage and/or personal injury occurring on the Common Area which is caused directly or indirectly by the conduct of the Member or any person using the common Area with the expressed or implied consent of such Member and shall indemnify *the* Association for any loss, cost, claim, injury, damage or liability sustained by the Association as a result of such conduct.

3. Association Liability.

All Members, guests or other persons who use *the* Common Area, or who engage in any function of whatever nature organized, arranged or sponsored by the Association shall do so at their own risk. Furthermore, each Member and each person using the Common Area with the expressed~ or implied consent of any Member expressly agrees that neither the Association nor its directors~, officers, employees, representatives or agents shall have any liability for any loss, cost, claim, injury or damage sustained or incurred by him or her, resulting from any act or omission of the Association or of any director, officer, employee, representative or agent Of the Association except an act or omission constituting willful misconduct.

4. Penalties.

The Association, acting through the Board of Directors, shall have the power to impose

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reasonable fines against any Member, for violation of any duty imposed under the Declaration₁ these Bylaws, or the Rules and Regulations. In this regard, Members shall be responsible for all violations of the Declaration, these Bylaws or the Rules and Regulations by any person occupying or visiting these respective Lots or dwellings within the Property, or otherwise utilizing the Common Area with their permission or the permission of their respective occupants. Failure to comply shall be grounds for an action to recover sums due, for damages, for injunctive relief, *or* for any other remedy available at law or in equity, by Declarant, the Association, or, in a proper vase, by any aggrieved *member (s)* The failure of the Board of Directors to enforce any provision of the Declaration, Bylaws, or the Rules and Regulations shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

(a)Notice.

Prior to imposition of any penalty hereunder, the Association, acting through the Board of Directors or its delegate, shall serve the alleged violator with written notice describing (I) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (2.0) days within which the alleged violator may present a written request to the Rules Committee, if any, or the Board of Directors for a hearing; and. (iv) a ~statement that the proposed sanction shall be imposed as contained in the notice, unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) **Hearing**.

If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to *the* effectiveness of any sanction hereunder, proof of the proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the note, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such note. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanctions, if any imposed. The Board of Directors or the Rules 'Committee, may but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten. (10) day period. Such suspension shall not constitute a waiver of the right to sanction future

violations of the same. or other provisions and rules by any person.

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ARTICLE XI AMENDMENTS

These Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty seven (67%) percent of the total votes of the Association. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Notwithstanding any provisions herein to the contrary, no amendment may (a) remove, revoke, or modify any right or privilege of Declarant, (b) change or modify any restrictions or limitations which may be placed on the assessment of fees, dues or other charges against Memberships held by Declarant, or Cc) change, modify or delete this Article XI without the prior written consent of Declarant or the assignee of Declarant, as applicable, which consent may be granted or withheld in the sole discretion of Declarant or its assignee.

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ARTICLE XII MISCELLANEOUS

1. Notices.

Unless otherwise provided, in the Declaration, the other 'Association Documents, 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 corporation. Such notice shall be deemed given when sent.

Whenever notice is required to be given by law or the Association Documents, 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 corporation to such other fiscal year basis as the Board determines in the best interest of the corporation.

3.Seal.

The corporation shall *have a* seal inscribed with the name of the corporation, year *of* organization, and words "Corporate Seal, South Carolina." The Secretary shall maintain the safe possession of the seal.

4. Statutory Powers.

The corporation 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.

5. Authority of Members.

No Member, except as an officer of the corporation, shall have authority or power to act for the

corporation or to bind it.

6. Captions; 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.

7. Validity; Severability

If any By-Law or part thereof shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other By-Law or part thereof

8 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 corporation 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 hint 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 corporation.

To the extent permitted by and subject to the laws of the State of South Carolina, the Corporation is authorized to purchase and maintain insurance on behalf of any present or former director, officer, or employee of the Company, 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

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the laws of the State of South Carolina but is intended to express the desire of the Members of this Corporation that indemnification be granted to such directors, officers, employees and other persons to the fullest extent allowable by such laws,

9. Conflicts.

If there are conflicts or inconsistencies~ between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these Bylaws., the provisions of South Carolina law, the Declaration, *the* Articles of Incorporation, and Bylaws (in that order) shall prevail..

IN WITNESS WHEREOF, the undersigned has signed this document for the purpose of authenticating it as the Bylaws of RIDGECREEX HOMEOWNERS ASOCIATION, INC., a South Carolina corporation not for profit, as adopted by its Board of Directors this <u>19</u> day of <u>November</u>, 1999.

Robert T. Coleman, III