

EXHIBIT L
BYLAWS
OF
BEACHWALK VILLAS
HOMEOWNER'S ASSOCIATION, INC

A Not For Profit Corporation

Pursuant to the provisions or the South Carolina Business Corporation Act, the Board of Directors of Beachwalk Villas Homeowner's Association, Inc. a South Carolina eleemosynary corporation, hereby adopts the following Bylaws for such corporation.

ARTICLE 1

NAME AND PRINCIPAL OFFICE

- a. **Name.** The name of the eleemosynary corporation is " Beachwalk Villas Homeowner's Association, Inc." hereinafter referred to as the "HOA".
- b. **Offices.** The principal offices of the HOA shall be at Beachwalk Villas, a residential condominium project, hereinafter the "Project", situated upon the real property legally described on Exhibit A, attached to the Master Deed and located in Horry County, South Carolina.

DEFINITIONS

- a. **Definitions.** Except as otherwise provided herein or required by the context hereof, all terms defined in the Master Deed of Beachwalk Villas Horizontal Property Regime, recorded in the Horry County Clerk of Court's Office in Deed Book _____ at page _____, herein referred to as the "Master Deed", shall have such defined meanings when used in these Bylaws.

ARTICLE 3

MEMBERS

- a. **Membership.** Membership in the HOA shall be determined in accordance with the Master Deed.
- b. **Annual Meetings.** The annual meeting of members shall be held on the second Saturday of May each year at a time selected by the Board, beginning with the year following the year in which the Articles of Incorporation are filed, for the purpose of electing Directors and transacting such other business as may come

before the meeting. If the election of Directors shall not be held on the day designated herein, for the annual meeting of the members, or at any adjournment thereof, the Board of Directors ("Board") shall cause the election to be held at a special meeting of the members to be convened as soon thereafter as may be convenient.

- c. **Special Meetings.** Special meetings of the members may be called by the Board, the President, or upon the written request of members holding not less than ten percent (10%) of the total votes of the HOA, such written request to state the purpose or purposes of the meeting and to be delivered to the Board or the President.
- d. **Place of Meetings.** The Board may designate a place in Horry County, State of South Carolina, as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all members may designate any place, either within or without the State of South Carolina, as the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the principal office of the HOA.
- e. **Notice of Meetings.** The Board shall cause written or printed notice of the time, place and purpose of all meetings of the members (whether annual or special) to be delivered, not more than fifty (50) nor less than ten (10) days prior to the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his registered address, with first class postage thereon prepaid. Each member shall register with the HOA such member's current mailing address for purposes of notice hereunder. Each registered address may be changed from time to time by notice in writing to the HOA. If no address is registered with the HOA, a member's Unit address shall be deemed to be his registered address for purposes of notice hereunder.
- f. **Members of Record.** Upon purchasing a Unit in the Project, each Co-Owner shall promptly furnish to the HOA a certified copy of the recorded instrument by which ownership of such Unit has been vested in such Co-Owner, which certified copy shall be maintained in the records of the HOA. For the purposes of determining members entitled to notice of or to vote at any meeting of the members, or any adjournment thereof, the Board may designate a record date, which shall not be more than fifty (50) nor less than ten (10) days prior to the meeting, for determining members entitled to notice of or to vote at any meeting of the members. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining members entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the HOA on such record date as the Co-Owners of record of Units in the Project shall be deemed to be the members of record entitled to notice of or to vote at the meeting of the members. In the event a Unit is

owned by more than one person or by a corporation, trust or other entity, the individual entitled to cast the vote for that Unit shall be designated by a certificate filed with the Secretary of the HOA and signed by all joint Co-Owners of the Unit or by an authorized agent of the corporation or other entry. If no certificate is filed, the vote of such Unit shall not be considered.

- g. **Quorum.** At any meeting, members holding, or holders of proxies entitled to cast, more than fifty percent (50%) of the total votes of the HOA shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the members as provided above. At the reconvened meeting, the members and proxy holders present shall constitute a quorum for the transaction of business.
- h. **Proxies.** At each meeting of the members, the presence of the members holding, or holders of proxies entitled to cast more than fifty percent (50%) of the total votes of the HOA shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been authorized in writing. If a membership is jointly held, the designated member of record or that person's attorney thereunto duly authorized in writing must have executed the instrument authorizing a proxy to act. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the HOA or to such other officer or person who may be acting as secretary of the meeting. The minutes of the meeting shall indicate whether proxy cast in person or the votes cast at the meeting.
- i. **Votes.**
- i. **Class A.** Each Owner of a Unit, with the exception of the Declarant shall be a Class A Member and shall be entitled to vote on all matters relating to the HOA or to the Project upon which a vote of the Co-Owners is conducted. The class A Membership shall be entitled collectively to cast One Thousand (1,000) votes on each such matter. These votes shall be allocated to the Co-Owners proportion to their respective Percentage Interests in the Common Property as set forth in the Master Deed. In the event a Unit is owned by more than one person or by a corporation, trust or other entity, the individual entitled to cast the vote for that Unit shall be designated by a certificate filed prior to the meeting with the Secretary of the HOA and signed by all joint Co-Owners of the Unit or by all authorized agent of the corporation or other entity. If no certificate is filed, the vote of such Unit shall not be considered.

- ii. **Class B.** The Declarant shall be the sole Class B Member. The Class B Membership shall be entitled to Four Thousand (4,000) votes on each matter relating to the HOA or to the Project upon which a vote of the Co-Owners is conducted. The Class B Membership shall cease and be converted to Class A Membership upon the occurrence of the events described below.
- iii. **Required Vote.** The affirmative vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the members, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, the Master Deed or South Carolina law.
- j. **Binding Effect.** All agreements, decisions and determinations lawfully made by the HOA in accordance with the voting percentages established in the Act, the Master Deed or these Bylaws shall be deemed to be binding on all Co-Owners.
- k. **Dilution of Voting Interest and Termination of Class B Membership.** The Project will be composed of Units to be developed in phases containing unequal numbers of Units. The Declarant may elect within the time limits prescribed herein to develop each such phase in accordance with the terms hereof. In the event that the Developer shall elect to proceed with one or more of the additional phases provided for herein, each such phase will be platted of record in the Office of the Clerk of Court for Horry County in accordance with the terms of this Master Deed. The Declarant shall notify the HOA in writing when the final phase of the Project has been so platted of record. By acceptance of a deed conveying a Unit, each Owner acknowledges that, upon the development by Declarant of such phases, the proportion of the total votes of existing Owners will decrease based upon the number of Units in the phases added. The Class B Membership shall cease and be converted to Class A Membership at such time as Declarant no longer retains a Controlling Interest, provided however, in no event shall Class B Membership cease and be converted to Class A Membership until the earlier of: (i) the receipt by the HOA of the written notice provided for above, or (i) the expiration of the last of the phases. Nothing contained herein shall obligate the Declarant to develop any proposed phase of the Project unless such phase is subjected to this Master Deed.
- l. **Waiver of Irregularities.** All inaccuracies and/or irregularities in calls or notices of meetings and in the manner of voting, form of proxies and/or method of ascertaining members present shall be deemed waived if no objection thereto is made at the meetings.
- m. **Informal Action by Members.** Any action that is required or permitted to be taken at a meeting of the members may be taken without a meeting consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof.
- n. **Suspension of Membership:** The Board. may suspend the voting rights of any member and the right of enjoyment of the Common Property of any person who:

- i. Shall be subject to the Right of Abatement, as defined in the Master Deed;
- ii. Shall be delinquent in the payment of any assessment levied by the HOA or the Association pursuant to the provisions of the Master Deed; or
- iii. Shall be in violation of any of the rules and regulations of the HOA or the Association relating to the use, operation and maintenance of Common Property.

Such suspension shall be for the balance of the period in which said member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in Subsection (iii) above, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress or egress from his Unit.

- o. **Termination of Membership:** Membership shall cease only when a person ceases to be an Owner.
- p. **Voting Procedures:** The procedures for the election of Directors of the HOA and the resolution of such other issues as may be brought before the Membership of the HOA shall be governed by the Master Deed, the South Carolina Not for Profit Corporation Code, the Articles of Incorporation of the HOA, and these By-Laws, as each shall from time to time be in force and effect.

ARTICLE 4

BOARD OF DIRECTORS

- a. **General Powers.** Its Board shall manage the property, affairs and business of the HOA. The Board may exercise all of the powers of the HOA, whether derived from law, the Master Deed or law, by the Articles of Incorporation or these Bylaws, or by the Master Deed, vests the Articles of Incorporation, except such powers as solely in the members. The Board may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions and powers, or those of any officer, as are properly delegable.
- b. **Number, Tenure and Qualifications.** The number of Directors of the HOA shall be five (5). At the first annual meeting of the members held after the adoption hereof, the members shall elect five (5) Directors to serve as follows: The two candidates receiving the highest number of votes shall be elected to serve for a term of two (2) years; and the three candidates receiving the next highest number of votes shall be elected to serve for a term of one (1) year. At each annual meeting thereafter, the members shall elect for a two (2) year term the number of Directors required to fill the number of vacancies created by the expiring terms of Directors. Directors must be members of the HOA or representatives of corporate or partnership members. Notwithstanding anything herein to the contrary, for so long as it owns a Controlling Interest, Declarant shall have the right to appoint all (or less than all) Directors. Such appointees need not be Co-Owners or

members. Such appointees may be removed, with or without cause, by Declarant at any time, and from time to time, and a successor appointed by Declarant.

- c. **Regular Meetings.** The regular annual meeting of the Board shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the members. The Board may provide by resolution the time and place, within Horry County, South Carolina, for the holding of such additional regular meetings without other notice than such, resolution.
- d. **Special Meetings.** Special meetings of the Board may be called by or at the request of any Director. The person or persons authorized to call special meetings of the Board may fix any place, within Horry County, South Carolina, as the place for holding a special meeting of the Board called by such person or persons. Notice of any special meeting shall be given at least four (4) days prior thereto by written notice delivered personally, or mailed to each Director at his registered address, or by Telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with first class postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of a meeting.
- e. **Quorum and Manner of Acting.** A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board. The Directors shall act only as a Board and individual Directors shall have no powers as such.
- f. **Compensation.** No Director shall receive compensation for any services that he may render to the HOA as a Director, provided, however, that Directors may be reimbursed for expenses incurred in performance of their duties as Director and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the HOA other than in their capacities as Directors.
- g. **Resignation and Removal.** A Director may resign at any time by delivering a written resignation to either the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director may be removed at any time for or without cause by affirmative vote of more than fifty percent (50%) of the total votes of the HOA at a special meeting of the members duly called for such purpose and may be removed otherwise as provided by South Carolina law. Declarant may remove any Director appointed by Declarant at any time, with or without cause.
- h. **Vacancies and Newly Created Directorships.** If vacancies shall occur in the Board by reason of the death or resignation of a Director, or If the number of Directors shall be increased, the Directors then in office shall continue to act and such vacancies or newly created Directorships shall be filled by a vote of the Directors then in office, though less than a quorum, in any way approved by such Directors at the meeting. Any vacancies In Board occurring by reason of the member's removal of a Director may be filled by election of the members at the meeting at which such Director is removed. Any Director

elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created Directorship, as the case may be.

- i. **Informal Action by Directors.** Any action that is required or permitted to be taken at a meeting of the Board may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

ARTICLE 5.

OFFICERS

- a. **Number.** The officers of the HOA shall be a President, a Secretary, a Treasurer and such other officers as may from time to time be appointed by the Board.
- b. **Election, Tenure and Qualifications.** The officers of the HOA shall be chosen by the Board annually at the regular annual meeting of the Board. In the event of failure to choose officers at such regular annual meeting of the Board, officers may be chosen at any regular or special meeting of the Board. Each such officer (whether chosen at a regular annual meeting of the Board or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board and until his successor shall have been chosen and qualified, or until his death, or until his resignation or removal in the manner provided in these Bylaws, whichever first occurs. Any one person may hold any two or more of such offices except that the President may not also be the Secretary or the Treasurer. No person holding two or more offices shall act on or execute any Instrument in the capacity of more than one office. The President and the Secretary must be Directors.
- c. **Subordinate Officers.** The Board may from time to time appoint such other officers or agents as it deem advisable, each of who shall have such title, hold office for such period, have such authority and perform such duties as the Board may from time to time determine. The Board may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities and duties. Subordinate officers need not be members or Directors of the HOA.
- d. **Resignation and Removal.** Any officer may resign at any time by delivering a written resignation to the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may remove any officer at any time, for or without cause.
- e. **Vacancies and Newly Created Offices.** If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board at any regular or special meeting.
- f. **The President.** The President shall preside at meetings of the members. He shall sign on behalf of the HOA all documents and contracts and shall do and perform all other acts and things that the Board may require of him.

- g. **The Secretary.** The Secretary shall keep the minutes of the HOA and shall maintain such books and records as these Bylaws, the Master Deed or any resolution of the Board may require him to keep. He shall be the custodian of the seal of the HOA, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He shall perform such other duties as the Board may require of him.
- h. **The Treasurer.** The Treasurer shall have the custody and control of the funds of the HOA, subject to the action of the Board, and shall, when requested by the President to do so, report the state of the finances of the HOA at each annual meeting of the members and at any meeting of the Board. He shall perform such other duties as the Board may require of him.
- i. **Compensation.** No officer shall receive compensation for any services that he may render to the HOA as an officer; provided, however, that officers may be reimbursed for expenses incurred in performance of their duties as officers and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the HOA other than in their capacities as of officers.

ARTICLE 6.

COMMITTEES

- a. **Designation of Committees.** The Board may from time to time by resolution designate such committees as it may deem appropriate carrying out its duties, responsibilities, functions and powers. The membership of each such committee designated hereunder may include at least one (1) Director. No committee member shall receive compensation for services that he may render to the HOA as a committee member, provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as committee member and (except as otherwise provided by these Bylaws) may be compensated for services rendered to the HOA other than in their capacities as committee members.
- b. **Proceedings of Committees.** Each committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such Committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board.
- c. **Quorum and Manner of Acting.** At each meeting of any committee designated hereunder by the Board, the presence of members constituting at least two-thirds of the authorized membership of such committee shall constitute a quorum for the transaction of business and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board hereunder shall act only as a committee and the individual members thereof shall have no powers as such.

- d. **Resignation and Removal.** Any member of any committee designated hereunder by the Board may resign at any time by delivering a written resignation either to the President, the Board or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, for or without cause, remove any member of any committee designated by it hereunder.
- e. **Vacancies.** If any vacancy shall occur in any committee designated by the Board hereunder, due to disqualification, death, resignation, removal or otherwise; the remaining members shall, until the tilling of such vacancy, constitute the than total authorized membership of the committee and, provided that two or more members are remaining, may continue to act, Such vacancy may be filled at any meeting of the Board.

ARTICLE 7.

INDEMNIFICATION

- a. **Indemnification Against Third Party Actions.** The HOA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the HOA) by reason of the fact that he is or was a Director, officer, employee or agent of the HOA, or is or was serving at the request of the HOA as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the HOA and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by an adverse judgment order or settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the HOA and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.
- b. **Indemnification Against Association Actions.** The HOA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the HOA to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the HOA, or is or was serving at the request of the HOA as a Director, trustee, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the HOA and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the HOA, unless and only to the extent that the court in which such action or suit was brought shall

determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

- c. **Determination.** To the extent that a Director officer, employee, or agent of the HOA has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to hereunder, or in defense of any claim, Issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Any other indemnification hereunder shall be made by the HOA only upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth herein. Such determination shall be made either (i) by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding or (ii) by the Owners by the affirmative vote of at least fifty percent (50%) of the total votes of the HOA at any meeting duly called for such purpose.
- d. **Advances.** Expenses incurred in defending a civil or criminal action, suit or proceeding as contemplated in this Article may be paid by the HOA in advance of the final disposition of such action, suit or proceeding upon a majority vote of a quorum of the Board and upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the HOA as authorized by this Article.
- e. **Scope of Indemnification.** The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the HOA's Articles of Incorporation, Bylaws, agreements, vote of disinterested members or Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article shall apply to all present and future Directors, officers, employees and agents of the FOA and shall continue as to such persons who cease to be Directors, officers, employees or agents of the HOA and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.
- f. **Insurance.** The HOA may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee or agent of the HOA, or who was or is sewing at the request of the HOA as a Director, officer, employee or agent of another corporation, entity or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the HOA would have the power to indemnify him against such liability under the laws of the State of South Carolina as the same may hereafter be amended or modified.
- g. **Payments and Premiums.** All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the HOA and shall be paid with funds from the Common Expense Fund referred to in the Master Deed.

ARTICLE 8.

FISCAL YEAR AND SEAL

- a. **Fiscal Year.** The fiscal year of the HOA shall begin on the 1st day of January each year and shall end on the 31st day of December next following, except that the final fiscal year shall begin on the date of incorporation and end on the 31st day of December next following.
- b. **Seal.** The Board may by resolution provide a corporate seal, which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the words "Corporate Seal".

ARTICLE 9.

Miscellaneous

- a. **Rules and Regulations.** The Board may from time to time adopt, amend, repeal and enforce reasonable rules and regulations governing the use and operation of the Project to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, the Master Deed or these Bylaws. The Board with copies of all amendments and revisions thereof shall provide the members.
- b. **Method of Collecting.** The manner of collecting from the members for the payment of the common expenses shall be as set forth in the Master Deed.
- c. **Declaration.** In the event that the terms of the Master Deed with respect to any aspect of the HOA including without limitation, its membership, duties and powers, the terms of the Master Deed shall control.

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IN WITNESS WHEREOF, the parties have hereto set their hands and seal this 24th day of February 2005.

WITNESSES:

[Signature]
Margaret Dallyen

Beachwalk Properties, LLC

[Signature]
By: Robert G. Hemrick
Its: Member

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ACKNOWLEDGMENT

I, Margaret Dallyen, a Notary Public for South Carolina, do hereby certify that the Grantor herein personally appeared before me, and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal this 24th day of February 2005.

(SEAL)

[Signature]
Notary Public for South Carolina
My Commission Expires: 8-16-2014