

BY-LAWS
OF
THE OAKS AT EASTPORT NEIGHBORHOOD ASSOCIATION

EXHIBIT "B"

BY-LAWS

ARTICLE I

NAME AND LOCATION

The name of the neighborhood association is THE OAKS AT EASTPORT NEIGHBORHOOD ASSOCIATION, INC. (hereinafter referred to as the "Neighborhood Association"). The Principal office of the Neighborhood Association (until otherwise designated by the Board) (as hereinafter defined) shall be located at Chicora Development, Highway 17 North, Myrtle Beach, SC 29578, but meetings of Members and directors may be held at such other places within the State of South Carolina, County of Horry, as may be designated by the Board.

ARTICLE II

DEFINITIONS

Unless otherwise set forth herein, the terms used in these By-Laws shall have the same meanings ascribed to such terms as set forth in the Declaration of Covenants, Restrictions, and Easements for The Oaks at Eastport Neighborhood Association, dated as of June 1, 1995 which has been executed by Chicora Development, with respect to a new community known as The Oaks at Eastport Neighborhood Association, and is to be filed for record in the office of the Clerk of the Court of Horry County, South Carolina, Declaration is incorporated herein by reference.

ARTICLE III

MEETINGS

3.1 Annual Meeting of Members: The regular annual meeting of the Members shall be held not later than six (6) months past the end of the fiscal year of the Neighborhood Association, on a date (which is not a legal holiday) and at such place within the State of South Carolina, as shall be designated in the call of meeting pursuant to Article 3.3 below. If no such date is designated, the annual meeting shall be held on the second Monday in April, if not a legal holiday, and if a legal holiday, then on the next business day succeeding. The Members shall at such annual meeting elect a Board of Directors for the ensuing year, in the manner provided in Article 4.1 hereof, and shall have authority to transact any and all business which may be brought before such meeting.

3.2 Special Meeting of Members: Special meetings of Members shall be held at such place within the State of South Carolina as

shall be designated in the call of the meeting. Special meetings may be called by the President at any time and must be called by the President when so requested in writing by any two (2) Directors or by twenty-five (25%) percent of the Class A Membership.

3.3 Notice of Meetings: Written notice of the place, date and time of every annual or special meeting of members shall be mailed to each Member, at least ten (10) days before such meeting. Each Member shall register his address with the Neighborhood Association, and notices of meetings shall be mailed to him at such address. For a special meeting, such notice shall state the object or subject of the meeting. It shall not be necessary that notice of an annual meeting specify the business to be transacted at such meeting, but such notice shall specify the number of directors to be elected at such annual meeting.

3.4 Quorum: Unless otherwise provided in the Declaration, a quorum at any meeting of members, whether annual or special, shall consist of the presence at such meeting, in person or by proxy, of Members entitled to cast one-third (1/3) of the votes of each Class of Membership. Unless otherwise provided in the Articles of Incorporation of the Neighborhood Association, or in the Declaration, or in these by-Laws, a majority of the votes entitled to be cast by all Members present at a meeting shall be necessary and sufficient to decide and act upon any question which shall come before the meeting. No business shall be transacted at any meeting unless a quorum is present.

3.5 Voting: Voting rights of Members shall be as set forth in the Declaration. Where any Member is a group or entity other than one individual person, the vote on behalf of such Member shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such Member, and delivered to the Secretary of the Neighborhood Association.

ARTICLE IV

DIRECTORS

4.1 Number: The affairs of this Neighborhood Association shall be managed by an initial Board of three (3) directors, who need not be Members of the Neighborhood Association, and who shall be appointed and removed in accordance with Section 3.08 of the Declaration until the date specified in section 3.08 of the Declaration. The Board shall be increased as provided in Section 4.2, and once the control of the Neighborhood Association passes to the Class A Members, as provided in the Declaration, the affairs of the Neighborhood Association shall be managed by a Board of not less than five (5) nor more than nine (9) Directors.

4.2 Term of Office: At the first annual meeting after

control of the Neighborhood Association has passed to the Class A Membership, the Board shall be increased to five (5) Directors in accordance

with the following procedure. At that meeting, the Members shall elect three (3) Directors to serve a two (2) year term, and two (2) Directors to serve a one (1) year term. Thereafter, successor Directors shall be elected for two (2) year terms. All Directors shall hold office until their successors have been elected. The numbers of Directors may be increased by amendment to this provision of the By-Laws.

4.3 Removal: Once the control of the Neighborhood Association passes to the Class A Members as provided in the Declaration, any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Neighborhood Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4 Compensation: No Director shall receive compensation for any service he may render to the Neighborhood Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5 Action Taken Without a Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

4.6 Nomination: Nomination for elected members 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 Neighborhood Association. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

4.7 Election: Election to the Board of Directors shall be by written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted,

4.8 Regular Meeting of Directors: Regular meetings of the Board of Directors shall be held from time to time as may be necessary at such place and hour as may be fixed by resolution of the Board.

4.9 Special Meeting of Directors: Special meetings of the Board of Directors shall be held at such place within the State of South Carolina as shall be designated in the call of such meetings. Special meetings of the Board of Directors may be called by the President at any time, in his discretion, and must be called by the President whenever so requested in writing by two (2) members of the Board of Directors.

4.10 Notice of Meetings: Notices of special meetings of the Board of Directors shall be given by the President or the Secretary to each member of the Board, not less than three (3) days before the time at which such meetings are to convene. Said notices may be given by telephone, or by any other form of written or verbal communication. It shall not be necessary for notices of special meetings of the Board of Directors to state the purposes or subject of the meetings. The Directors may waive notice of any meeting. Action may be taken by the Directors without a meeting if such action is consented to in writing by all of the Directors.

4.11 Quorum: A quorum at any meeting of the Board of Directors shall consist of a majority of the members of the Board. Unless otherwise provided in the Articles of Incorporation of the Neighborhood Association, or in these By-Laws, or in the Declaration, a majority of those present at any meeting at which a quorum is present may decide all questions which may come before the meeting.

4.12 Powers: The Board of Directors shall have power to :

- (a) Adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the Members and their guests thereon , and to establish penalties for the infraction thereof;
- (b) 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 the payment of any assessment levied by the Neighborhood Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) Exercise for the Neighborhood Association all powers, duties and authority vested in or delegated to this Neighborhood Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) 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) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

4.13 Duties: It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all of its acts and corporate affairs;
- (b) Supervise all officers, agents and employees of this Neighborhood 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 quarterly assessment against each Lot at least thirty (30) days in advance of each Assessment year;
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each quarterly assessment period; and
 - (3) Foreclose the lien against any property for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay the same; and
- (d) 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 the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate insurance on property owned by the Neighborhood Association, as provided in Article XI of the Declaration;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the Common Property to be maintained; and
- (h) Maintain any and all landscaping treatments previously installed by the Declarant, to the extent that such landscaping is not otherwise maintained by the appropriate county and/or municipal entity having jurisdiction over the roads for the Development.

ARTICLE V

OFFICERS AND THEIR DUTIES

5.1 Enumeration of Officers: The officers of this Neighborhood Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

5.2 Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

5.3 Term: The officers of this Neighborhood Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

5.4 Special Appointments: The Board may elect such other officers as the affairs of the Neighborhood Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

5.5 Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

5.7 Multiple Offices: the offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 5.4 of this Article.

5.8 Duties: The duties of the officers are as follows:

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

and shall co-sign all promissory notes.

- (b) 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 by the Board.
- (c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Neighborhood Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Neighborhood Association, together with their addresses, and shall perform such other duties as required by the Board.
- (d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Neighborhood Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Neighborhood Association; keep proper books of account; cause an annual audit of the Neighborhood Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VI

MISCELLANEOUS

The Declaration: All provisions contained in the Declaration with regard to rights, powers and duties of the Neighborhood Association, the Members thereof (including, without limitation, classes of Members and qualifications and rights of the members of each class), and the Board of Directors thereof, are hereby incorporated into these By-Laws by this reference, with the same effect as if such provisions were fully set forth herein.

6.2 Committees: The Neighborhood Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

6.3 Books and Records: The books and records of the Neighborhood Association shall at all times, during reasonable

business hours, be open for inspection by any Member of the Neighborhood Association.

6.4 Indemnification: The Neighborhood Association shall indemnify any person made a party to any action, suit or proceeding, whether civil or criminal, by reason of the fact that he, his testator, or intestate, is or was a director, officer, management agent, or employee of the Neighborhood Association, against the reasonable expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense of the action, suit, or proceeding or in connection with any appeal in it. This right of indemnification shall not apply in relation to matters as to which the director, officer, management agent, or employee shall be adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of any duty to the Neighborhood Association. The right to indemnification conferred by this Section shall not restrict the power of the Neighborhood Association to make any indemnification permitted by law.

6.5 Fiscal Year: The fiscal year of the Neighborhood Association shall be the calendar year.

6.6 Parliamentary Rules: Robert's Rules of Order (current edition) shall govern the conduct of all Neighborhood Association proceedings, when not in conflict with South Carolina law, the Articles of Incorporation, the Declaration, these By-Laws, or a ruling made by the person presiding over the proceeding.

6.7 Conflicts: If there are conflicts or inconsistencies between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws, then the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.8 Notices: Unless otherwise specified in the Declaration or By-Laws, all notices, demands, bills, statements, or other communications required or permitted to be sent under the Declaration or these By-Laws shall be in writing and shall be deemed to have been fully given if delivered personally or if sent by first class mail, postage prepaid:

- (a) If to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the last known address of the Member; or
- (b) If to the Neighborhood Association, the Board of Directors, or the managing agent, at the principal office of the Neighborhood Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members.

If there are multiple Owners of a single piece of property, notice to one (1) shall be deemed notice to all.

6.9 Amendment: The provisions of the Declaration applicable to amendment of that instrument shall apply to any amendment to these By-Laws.

6.10 Fining procedure: The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Demand: Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:

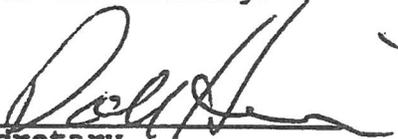
- (i) the alleged violation;
- (ii) the action required to abate the violation; and
- (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a fine, if the violation is not a continuing one. The Board or its designer may demand immediate abatement in such circumstances which, in the Board's determination, proposed danger to safety or property.

(b) Notices: Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand or abatement without penalty, or if the same rule is subsequently violated, the Board may, upon notice, impose a fine. The notice shall state.

- (i) the nature of the alleged violation;
- (ii) that the alleged violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine;
- (iii) that any statement, evidence, and witnesses may be produced by the alleged violator at the hearing; and
- (iv) that all rights to have the fine reconsidered are waived if a hearing is requested, it shall be held before the Board in executive session, and the alleged violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the

results of the hearing.

- (c) Hearing: If a hearing is requested, it shall be held before the Board in executive session, and the alleged Violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.


Secretary

APPROVED:


Director


Director


Director