

BY-LAWS

OF

OCEAN FOREST CLUB, INC.

A corporation not for profit under
The laws of the State of South Carolina

1. IDENTITY

These are the By-Laws of Ocean Forest Club, Inc., a non-profit corporation existing under the laws of the State of South Carolina, which has been organized for the purpose of administering a Park area serving Block 7 of the Golf Course Section of Myrtle Beach, South Carolina for the exclusive use of the lots bordering thereon as shown on a map or plat by Floyd, Coleman, Askins & Kellahan, dated May 15, 1980 and to be recorded in the Office of the Clerk of Court for Horry County, South Carolina.

- a) The provisions of these By-Laws are applicable to the operation of said PARK, and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Declaration of Covenants, Conditions and Restrictions is recorded prior to or subsequent to the formation of Ocean Forest Club, Inc.
- b) All present or future owners, tenants, future tenants, or their employees, or any other person that might use said PARK or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in said Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions effecting the lots in Block 7 of the Golf Course Section of Myrtle Beach, South Carolina.
- c) The office of the ASSOCIATION shall be at the office of the AGENT or such other place as the Board of Directors may deem from time to time.
- d) The fiscal year of the ASSOCIATION shall be the calendar year.
- e) The seal of the ASSOCIATION shall bear the name of the ASSOCIATION, and the word "South Carolina," the words "Corporation Not for Profit," and the year of incorporation, an impression of which seal is as follows:

2. DEFINITIONS

The following terms as used in these By-Laws shall have the following meanings:

- a) "Developer" shall mean Sands Investments No. 2, Inc. or any successor in interest by merger or express assignment of the rights of DEVELOPER hereunder by instrument executed by DEVELOPER and recorded in the Office of Clerk of Court for Horry County, South Carolina.
- b) "Park" shall mean the rural property hereinabove described together with all improvements located thereon, and all appurtenances, rights and easements thereto appertaining.
- c) "Unit Week" means one week of use in one of the residences located on one of the seven lots surrounding the PARK when one of such lots and improvements located thereon has been subjected to a plan of interval ownership by the DEVELOPER.

- d) "Interval", "Interval Owner" shall designate the owner or ownership of the Use Period in one of the lots including improvements thereon subjected to interval ownership by the DEVELOPER.
- e) "Owner" shall include the owners of intervals as well as the owner, in fee simple, of any of the lots surrounding the PARK whether or not such lot has been subjected to a plan of Interval Ownership.
- f) "Agent" shall mean the management firm appointed by the Board of Directors to manage the affairs of the corporation.
- g) "Owners Association" shall mean the unincorporated group of the owners of all intervals in a lot which has been subjected to the plan of interval ownership by the DEVELOPER.
- h) "Lot" shall mean lots 1 thru 7 of Block 7 of the Golf Course Section of Myrtle Beach, South Carolina as shown on the map or plat hereinabove referred to.

3. MEMBERSHIP, VOTING, QUORUM, PROXIES

- a) The Owners of all lots shall be members of the corporation, and no other person or entities shall be entitled to membership, except as provided in item (_____) of this paragraph number three (3).
- b) Membership shall be established by the acquisition of fee simple title to a lot or by the acquisition of an interval if such lot has been subjected to a plan of Interval Ownership or by the acquisition of fee-ownership interest therein or interval interest therein, whether by conveyance, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee-ownership interest in any lot or interval except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more LOTS and/or INTERVALS or who may own two or more LOTS and/or INTERVALS so long as such party shall retain title to or fee-ownership interest in any LOT and/or INTERVAL.
- c) The interest of a member and the funds and assets of the corporation cannot be assigned, apothecated or transferred in any manner, except as an appurtenance to his LOT and/or INTERVAL. The funds and assets of the corporation shall be loaned solely to the corporation subject to the limitations that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein.
- d) On all matters on which the membership shall be entitled to vote the lot owner and/or interval owner shall have the following vote:
 - i) The owner of a fee-simple interest or title to a lot shall be entitled to one (1) vote. The DEVELOPER shall be considered the owner of a fee-simple title to a lot so long as same has not been committed to a plan of interval ownership or otherwise conveyed by the DEVELOPER to a third party.
 - ii) Where a lot has been subjected to a plan interval ownership by the DEVELOPER, each owner of an interval shall be entitled to one/thirteenth (1/13) of one (1) vote per interval owned.

- e) A quorum at members meetings shall consist of persons entitled to cast a majority (fifty-one (51%) percent of the votes eligible to be cast) of the votes of the entire membership. The joinder of a member and the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purposes of determining a quorum.
- f) The vote of owners of a lot and/or interval owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the owners of the LOT and/or INTERVAL and filed with the secretary of the ASSOCIATION, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirements for a quorum, or for any other purpose.
- g) Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the secretary before the appointed time of the meeting.
- h) Approval or disapproval of a LOT and/or INTERVAL owner upon any matters, whether or not the subject of an ASSOCIATION meeting, shall be by the same person who would cast the vote of such owner if in an association meeting.
- i) Except where otherwise required under the provisions of the Articles of Incorporation of the ASSOCIATION, or these By-Laws, or where the same may be otherwise be required by law, the affirmative vote of the owners of the majority of the or LOTS and/or INTERVALS represented at any duly called members' meeting in which a quorum is present shall be binding upon the members.

4. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

- a) The Annual Members' Meeting shall be held at the office of the ASSOCIATION at 10:00 o'clock, P.M., Eastern Standard Time, on the 3rd Saturday in January of each year for the purpose of electing Directors and of the transacting any other business authorized to be transacted any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Saturday.
- b) Special Members' Meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such Officers upon receipt of a written request from members of the ASSOCIATION owning a majority of the LOTS and/or INTERVALS.
- c) Notice of all members' meeting, regular or special, shall be given by the President, Vice President or Secretary of the ASSOCIATION, or other Officer of the ASSOCIATION in absence of the said Officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, within notice said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails addressed to the member at his post office address as it appears on the records of the ASSOCIATION, the postage thereon prepaid. Proof of such mailing shall be given by the Affidavit of the person giving the notice. Any member

may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the ASSOCIATION, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not been attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Master Deed, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

- d) At meetings of membership, the President, shall preside, or in the absence of him, the membership shall select a chairman.
- e) The order of business at Annual Members' Meetings, and, as far as practical, at any other members' meeting, shall be:
 - i) Calling of the roll and certifying of proxies
 - ii) Proof of notice of meeting or waiver of notice
 - iii) Reading of minutes
 - iv) Reports of Officers
 - v) Reports of Committees
 - vi) Appointment by Chairman of Inspectors of Election
 - vii) Election of Directors
 - viii) Unfinished business
 - ix) New business
 - x) Adjournment

5. BOARD OF DIRECTORS

- a) The first Board of Directors of the ASSOCIATION and succeeding Boards of Directors shall consist of SEVEN (7) persons. At least a majority of the Board of Directors shall be members of the ASSOCIATION, or shall be authorized representatives, officers, or employees of a corporate member of the ASSOCIATION.
- b) Election of Directors shall be conducted in the following manner:
 - i) All members of the Board of Directors shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the ASSOCIATION.
 - ii) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors.
 - iii) The term of the Directors so selected at the Annual Meeting of members each year shall be for two (2) years expiring at the second Annual Meeting following their election, and thereafter until their successors are duly elected and qualified, or until removed in the manner elsewhere provided or as maybe provided by law for the removal of Directors of South Carolina corporations for the profit.
 - iv) In the election of Directors, there shall be appurtenant to each lot and/or interval as many votes for Directors as there are Directors to be elected provided, however, that no member or owner of any LOT and/or INTERVAL may cast more than one vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.

- c) The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary provided a quorum.
- d) Regular meetings of the Board of Directors may be held at such time and place shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.
- e) Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than three (3) days' notice of a meeting shall be given to each Director, personally, or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.
- f) Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.
- g) A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these By-Laws or the Master Deed. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Master Deed, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if any business which might have been transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.
- h) The presiding Officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.
- i) Directors' fees, if any, shall be determined by the members.
- j) The Board of Directors shall manage and direct the affairs of the ASSOCIATION and subject to any restrictions imposed by law, or these By-Laws, may exercise all of the powers of the ASSOCIATION subject only to approval by the owners when such is specifically required of these By-Laws. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law, or these By-Laws, if it may deem necessary or appropriate in the exercise of its powers and shall include, without limiting the generality of the foregoing, the following:
 - i) To make, levy and collect assessments against members and members' LOT and/or INTERVAL to defray the costs of the PARK and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the ASSOCIATION;
 - ii) The maintenance, repair, replacement, operation surveillance and the management of the PARK and facilities of the PARK wherever the same is required to be done and accomplished by the ASSOCIATION for the benefit of its members;
 - iii) The reconstruction of improvements after casualty and the further improvement of the property, real and personal;

- iv) To make and amend regulations governing the use of the property, real and personal, in the PARK so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation or these By-Laws.
 - v) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including LOTS and/or INTERVALS, as may be necessary or convenient in the operation and management of the PAEK and in accomplishing the purposes set forth in the By-Laws.
 - vi) To contract for the management of the areas and facilities in the PARK project and to designate to such contractor all of the powers and duties of the ASSOCIATION, except those which may be required by the By-Laws to have approval of the Board of Directors or membership of the ASSOCIATION.
 - vii) To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the ASSOCIATION, and the regulations hereinafter promulgated governing use of the property in the PARK.
 - viii) To pay all taxes and assessments which are liens against any part of the PARK other than LOTS and/or INTERVALS and the appurtenances thereto, and appurtenances thereto, and to assess the same against the members and their respective LOTS and/or INTERVALS subject to such liens.
 - ix) To carry insurance for the protection of the members and the ASSOCIATION against casualty and liability.
 - x) To pay all costs of power, water, sewer, and other utility services rendered to the PARK and not billed to the owners of the separate LOTS and/or INTERVALS; and
 - xi) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the ASSOCIATION as well as the dismissal of said personnel.
- k) The first Board of Directors of the ASSOCIATION shall be comprised of seven (7) persons designated to act and serve as Directors in the Articles of Incorporation, which said persons shall serve until their successors are elected at the first Annual Meeting of the members of the ASSOCIATION.

Should any member of said first Board of Directors be unable to serve for any reason, a majority of the remaining members of the Board of Directors shall have the right to select and designate a party to act and serve as a Director for the unexpired term of said Director who is unable to serve.

- l) The undertakings and contracts authorized by said first Board of Directors shall be binding upon the ASSOCIATION in the same manner as though such undertakings and contracts had been elected by the membership after the property identified herein has been submitted to the plan of Condominium ownership and said Master Deed has been recorded in the Horry County Public Records, so long as any undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the ASSOCIATION in accordance with all applicable Condominium documents.

m) Directors may be removed from office in the manner provided by law for the removal of directors of South Carolina corporations for profit.

6. ADDITIONAL PROVISIONS ABOUT MEETINGS OF MEMBERS AND DIRECTORS

- a) Notwithstanding anything contained in these By-Laws to the contrary any meeting of members or Directors may be held at any place within or without the State of South Carolina of which notice is given in the notice of any such meeting or notice of which is waived by any person otherwise entitled thereto at, during or after any such meeting.
- b) To the extent now or from time to time hereafter permitted by the law of South Carolina the Directors without a meeting, a record of any such action so taken, signed by each Director, to be retained in the ASSOCIATION'S Minute Book and given equal dignity by all persons to the minutes of meetings duly called and held.

7. OFFICERS

- a) The executive offices of the ASSOCIATION shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices, except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the ASSOCIATION.
- b) The President shall be the chief executive officer of the ASSOCIATION. He shall have all of the powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the ASSOCIATION.
- c) The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.
- d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the ASSOCIATION, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.
- e) The Treasurer shall have custody of all of the property of the ASSOCIATION, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of the ASSOCIATION in accordance with good accounting practices; and shall perform all other duties incident to the office of Treasurer.
- f) The compensation of all officers and employees of Board of Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the ASSOCIATION, nor preclude the contracting with a Director for the management of the Condominium.

8. FISCAL MANAGEMENT

The provisions for fiscal management of the ASSOCIATION set forth in the Articles of Incorporation shall be supplemented by the following provisions:

- a) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each LOT and/or INTERVAL. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.
- b) The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the ASSOCIATION, including but not limited to the following items:
 - i) Common expense budget, which shall include, estimated amounts necessary for maintenance and operation of landscaping, street and walkways, office expense, swimming pool, utility services, casualty insurance, liability insurance, administration and reserves (operating and replacement); and
 - ii) Proposed assessments against each member. Copies of the proposed budget and proposed assessments shall be transmitted to each member on or before January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget and assessment levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion levy an additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.
- c) The Board of Directors shall determine the method of payment of such assessments and the due dates thereof and shall notify the members thereof. The assessments will initially be on quarterly basis unless changed by a vote of the majority of the Board of Directors. A LOT committed to Interval Ownership shall collect assessments of Interval Owners and make one payment to the ASSOCIATION.
- d) The depository of the ASSOCIATION shall be such the Directors and in which the monies of the ASSOCIATION shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.
- e) An audit of the accounts of the ASSOCIATION shall be made annually by a Certified Public Accountant, and a copy of the report shall be furnished to each member not later than April 1 of the year following the year for which the report is made.
- f) Fidelity bonds may be required by the Board of Directors from all officers and employees of the ASSOCIATION and from any contractor handling or responsible for ASSOCIATION funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total annual assessments against members for common expenses. The premiums on such bonds shall be paid by the ASSOCIATION.

- g) The keeping of records, payment of accounts, etc. may be delegated to an Agent employed for such purpose.

9. PARLAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the Statutes of the State of South Carolina.

10. AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

- a) Amendments to these By-Laws may be proposed by the Board of Directors of the ASSOCIATION acting upon vote of the majority of the Directors, or by members of the ASSOCIATION owning a majority of the total value of the property in the CONDOMINIUM, whether meeting as members or by instrument in writing signed by them.
- b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the ASSOCIATION, or other Officer of the ASSOCIATION in absence of the President, who shall thereupon call a Special Joint Meeting of the members of the Board of Directors of the ASSOCIATION and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such Officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members if required as herein set forth
- c) In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of the members having not less than two-thirds of the total votes. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and secretary of the ASSOCIATION, and a copy thereof shall be recorded in the Public Records of Horry County, South Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members.
- d) At any meeting held to consider such amendment or amendments to the By-Laws, the written vote of any member of the ASSOCIATION shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the ASSOCIATION at or prior such meeting.

The foregoing were adopted as the By-Laws of Ocean Forest Club, Inc., a Corporation not for profit under the Laws of the Sate of South Carolina, at the first meeting of the Board of Directors on the 26th day of June, 1981.