

BY-LAWS
OF
FOX CHASE HOMEOWNERS ASSOCIATION

BY-LAWS

ARTICLE I NAME AND LOCATION

The name of the association is Fox Chase Homeowners Association, Inc., (hereinafter referred to as the "Associate"). The Principal office of the Association (until otherwise designated by the Board) (as hereinafter defined) shall be located at 1010 North Dogwood Drive Surfside Beach, SC 29575, 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 Fox Chase at Collins Creek, dated as of September 2, 2005, which has been executed by McQuiddy Family Properties, Inc., with respect to a new community known as Fox Chase at Collins Creek and is to be filed for record in the office of the Clerk of Court of Horry County, South Carolina, as such Declaration may be amended from time to time, and which 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 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 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 that 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 fifteen (15) days before such meeting. Each Member shall register

his address with the Association, and notices of meetings shall be mailed to him at such address. If for a special meeting, such notice shall state the object or objects 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 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 Association.

ARTICLE IV DIRECTORS

- 4.1 Number: The affairs of this Association shall be managed by an initial Board of three (3) Directors, who need not be Members of the 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 Association passes to the Class A Members, as provided in the Declaration, the affairs of the Association shall be managed by a Board of not less than five (5) nor more than seven (7) Directors.~~
- 4.2 Terms of Office: At the first annual meeting after control of the 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 number of Directors may be increased by amendment to this provision of the By-Laws.

- 4.3 Removal: Once the control of the 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 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 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 that 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: Nominations 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 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 at such place within the state of South Carolina as shall be designated in the call of such meetings.
- 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 objects 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 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 that 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 said Member shall be in default in the payment of any assessment levied by the 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 Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- d. 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 Association, and to see that their duties are properly performed;
- c. As more fully provided in the Declaration, to:

- (i) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (ii) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (iii) Foreclose the lien against any property for which assessments are not paid or to bring an action at law against the Owner personally obligate 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 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 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 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 disqualified to serve.
- 5.4 Special Appointments: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board 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 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 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 Association and shall disburse such funds as directed by resolution of the Board of Directors;

shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the 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

- 6.1 The Declaration: All provisions contained in the Declaration with regard to rights, powers and duties of the 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 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 Association shall at all times, during reasonable business hours, be open for inspection by any Member of the Association.
- 6.4 Indemnification: The 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 Association, against the reasonable expenses, including attorney's 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 Association. The right to indemnification conferred by this section shall not restrict the power of the Association to make any indemnification permitted by law.
- 6.5 Fiscal Year: The fiscal year of the Association shall be the calendar year.
- 6.6 Parliamentary Rules: Robert's Rules of Order (current edition) shall govern the conduct of all 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.

IN WITNESS WHEREOF, the Declarant has caused these By-Laws to be duly executed and sealed the day and year first above written.

WITNESSES:

D Louise Payne
D. Louise Payne
Lois Ann Troup
Lois Ann Troup

McQuiddy Family Properties, Inc.

BY: *A. Jay Koon*
Agent

STATE OF SOUTH CAROLINA

PROBATE

COUNTY OF HORRY

PERSONALLY appeared before me the undersigned witness and made oath that she/he saw the within named McQuiddy Family Properties, Inc., by its duly authorized agent, sign, seal, and as its act and deed deliver the within By-Laws, and that she/he with the other witness whose name is subscribed above witnessed the execution thereof.

D Louise Payne

SWORN to before me this
2d day of September, 2005.

Lois Ann Troup
Notary Public for South Carolina

My commission expires: 07-21-2008

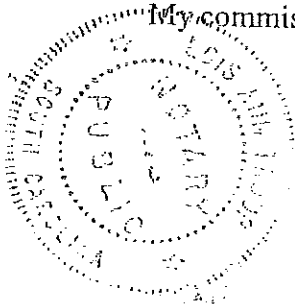


Exhibit A

ALL AND SINGULAR, that certain piece, parcel or lot of land, together with improvements thereon, situate, lying and being in Murrells Inlet, Horry County, South Carolina, and being shown and designated as Lots 1 through 87, Fox Chase at Collins Creek on that certain Final Subdivision Plat of Fox Chase at Collins Creek, Phase I, prepared for McQuiddy Family Properties by ETS Engineering and Technical Services, Inc., revised November 3, 2004, and recorded December 10, 2004, in Plat Book 201 at page 184, Horry County records, said plat being incorporated by reference herein as a part of this description.

This being a portion of the property conveyed to McQuiddy Family Properties, Inc. by Deed of Donald Joseph Vereen and Timothy Eugene Vereen dated September 21, 2004, and recorded on September 29, 2004, in Deed Book 2799 at Page 780, ROD Office for Horry County, South Carolina.