



**ASHBOROUGH SUBDIVISION
ASHBOROUGH CIVIC ASSOCIATION
Summerville, South Carolina**

COVENANTS, RESTRICTIONS, AND BYLAWS

Bylaws

ARTICLE I

NAME AND LOCATION

The name of the corporation is Ashborough Civic Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at Ashborough, but meetings of Members and Directors may be held at such places within the State of South Carolina, County of Dorchester, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Words and terms used in these Bylaws are defined in Article I of the Covenants and Restrictions.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Membership in the Association and voting rights shall be as set forth in Article IV of the Covenants.

Section 2. Rights. The rights of membership are subject to the payment of annual, special, and individual assessments levied by the Association, the obligation of which assessments is imposed against each owner and becomes a lien upon the property against which such assessments are made as provided by Article V of the Covenants. The Association is authorized to levy fines for violations of Restrictions in accordance with Article VI of Covenants and Restrictions.

Section 3. Suspension of Rights. The membership rights of any person, whose interest in the property or properties is subject to assessments under Article V of the Covenants and Restrictions, whether or not he is personally obligated to pay such assessments, may be suspended by action of the Board during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored.

Section 4. Quorum. The presence at the meeting of Members, or of proxies, entitled to cast fifty-one percent (51%) of the total votes of the Membership shall constitute a quorum for the transaction of business at meetings of the Association. Unless otherwise provided herein, a majority of the votes cast at such meeting shall be the vote required to adopt decisions. Any absent member who does not execute and return the proxy form sent to him in the mailing referred to in Section 6 of this Article shall be deemed to be present for the purposes of determining the presence of a quorum.

Section 5. Voting. Members shall be entitled to one vote for each Lot, and the vote required to adopt decisions shall be as set out in Section 4 above. Votes can be cast only at a meeting of the Association convened in accordance with the Covenants, Restrictions, and Bylaws, and in the absence of a valid proxy, an individual shall act in his own behalf, a corporation shall act by any officer, a partnership shall act by any general partner, an association shall act by any associate, a trust shall act by any trustee, and any other legal entity shall act by any managing agent. The failure of an absent member to execute and return the proxy form sent to him in the mailing referred to in Section 6 of this Article shall constitute a proxy to and for the majority present and voting.

Section 6. Proxies. Any member may by written proxy designate an agent to cast his vote. Unless a proxy states otherwise, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless it states otherwise. No proxy shall be honored until delivered to the Secretary of the Association. If at least thirty days prior to a duly called meeting a Member is informed by United States Postal Service mail of (1) the time and place of the meeting, (2) the agenda for the meeting, and (3) such data as is then available relative to issues on which there will be a vote, and a proxy form is included in such mailing, and the Member neither attends the meeting nor returns his executed proxy, then such Member shall be deemed to have given his proxy to and for the majority present and voting.

Section 7. Consents. Any action which may be taken by a vote of eligible Members in good standing may also be taken by written consent to such action signed by eligible Members in good standing.

Section 8. Annual Meetings. The annual meeting of the Association shall be held on a date determined by the Board of Directors. Any business, which is appropriate for action of the Members, may be transacted at an annual meeting.

Section 9. Special Meetings. Special meetings of the Association may be called at any time by the President of the Board of Directors or by a majority of the Board of Directors and shall be called upon the written request of a majority of the Members. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Members waive notice of any additional business.

Section 10. Notice of Meetings. Written notice of every annual or special meeting of the Association stating the time, date, and place of the meeting and in the case of a special

meeting, the business proposed to be transacted shall be mailed to every Member at least thirty days in advance of the meeting. Failure to give proper notice of a meeting of the Members shall not invalidate any action taken at the meeting unless (1) a Member who was present but was not given proper notice objects at the meeting, in which case the matter objected to shall not be taken up or (2) a Member who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following the meeting, in which case the action objected to shall be void.

Section 11. Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may in writing waive notice of any meeting either before or after the meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed a waiver by the Member of notice of the time, date, and place of meeting unless the Member objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

Section 12. Place of Meeting. All meetings of the Association shall be held at such convenient place as the Board of Directors may direct.

Section 13. Adjournment. Any meeting of the Association may be adjourned from time to time for periods not exceeding forty-eight (48) hours by vote of Members holding a majority of the vote represented at such meeting, regardless of whether a quorum is present. Any business, which could properly be transacted at the original session of a meeting, may be transacted at an adjourned session and no additional notice of adjourned sessions shall be required.

Section 14. Order of Business. The order of business at all meetings of the Association shall be as follows:

- a. Roll Call
- b. Proof of proper notice of the meeting or waiver of notice
- c. Reading of the minutes of the preceding meeting
- d. Report of the Board of Directors
- e. Reports of Officers
- f. Reports of Committees
- g. Election of Board of Directors (when required)
- h. Unfinished business
- i. New business

Section 15. Minutes of Meeting. The Secretary of the Association shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Association. The minutes shall be made available for examination and copying by any Member at any reasonable time.

ARTICLE IV

ASSOCIATION PURPOSES AND POWERS

Section 1. Organization. The Association and its elected Board of Directors has been organized to provide a vehicle to assure, through assessments and fines when necessary, that the Properties known as “Ashborough Subdivision” shall be maintained in a pleasing and attractive condition and to provide certain other benefits for its Members as set forth in Article VII of the Covenants and Restrictions.

Section 2. Additions to Properties and Membership. Additions to the Properties shown on the Plat may be made as provided in the Covenants and Restrictions. Such additions shall extend the jurisdiction, functions, duties, and membership of the corporation to such Properties.

ARTICLE V

BOARD OF DIRECTORS OF THE ASSOCIATION

Section 1. Form of Administration. The Association shall act by and through its Board of Directors.

Section 2. Authorities and Duties. The Board of Directors shall provide for the following:

- a. The maintenance, repair, and replacement of the Common Properties as detailed in Appendix B - **Ashborough Civic Association Common Properties and Amenities** and the designation and dismissal of the personnel necessary to accomplish the same.
- b. The collection of annual, special, and/or individual assessments as applicable from the Members. Assessments are paid to the Treasurer of the Association.
- c. The assignment and collection of fines imposed on the Members. Fines are to be paid to the Treasurer of the Association.
- d. The procuring and keeping in force of insurance on the Common Properties, and the adjustment (including the execution and delivery of releases upon payment) of claims against such policies as are obtained.
- e. The appointment and approval of Committee Chairmen from either the Directors or the Members for those Amenities in the Common Properties which require special leadership or the imposition of Regulations for effective and equitable use of the amenity.
- f. The enactment of reasonable Regulations governing the operation and use of the Common Properties, including any necessary “house rules.” The Committee Chairman for the appropriate Amenity will cause to be published, subject to the majority

approval of the Board, the Regulations for that Amenity. Distribution of the Regulations shall be determined by the Board. It shall not be necessary to record Regulations newly adopted or the amendment or repeal of existing Regulations, but no Member shall be bound by any newly adopted Regulation or any amendment or repeal of an existing Regulation until a copy of the regulation has been made available to him.

g. The enforcement of the terms of the Covenants Restrictions, and Bylaws, and any Regulations promulgated pursuant to the Bylaws.

h. The administration of the Association on behalf and for the benefit of all Members.

Section 3. Qualifications. Only an individual who is a Member or who together with another person or persons is a Member, or who is an officer of a corporation, a general partner of a partnership, an associate of an association, a trustee of a trust, or a managing agent of any other legal entity which is a Member or which together with another person or persons is a Member, may be elected and serve or continue to serve as a Director of the Association. The number of Directors provided at any one time by a Member, which is an organization, or which consists of more than one individual shall not exceed the number of Lots owned by such Member.

Section 4. Election and Term. The Members shall elect seven Directors, four for a term of two years (to be elected in one election) and three for a term of one year (to be elected in a second election), and the Board shall thereafter consist of seven Directors. At each subsequent annual meeting, Directors shall be elected for two-year terms to succeed the Directors whose terms expire at the end of the year. A majority of the votes cast shall be sufficient to elect a Director in any election. A Director may be elected to succeed himself, and a Director shall be deemed to continue in office until his successor has been elected and has assumed office. The newly elected Directors shall take office on January 1st following the election.

Section 5. Removal. A Director may be removed from office with or without cause by a majority vote of the Members.

Section 6. Vacancies. Any vacancy on the Board of Directors shall be filled by appointment from the Members by a majority vote of the remaining Directors, and the new Director shall serve for the unexpired term of his predecessor. Any vacancy that remains unfilled at the time of an annual meeting shall be filled by a majority vote of the Members.

Section 7. Voting. Each Director shall have one vote on all matters acted upon by the Board of Directors.

Section 8. Quorum. Four Directors shall constitute a quorum for the transaction of business.

Section 9. Consents. Any action, which may be taken by a vote of the Board of Directors, may also be taken by written, computer email, or telephonic consent to such action signed by a majority of Directors.

Section 10. Annual Meetings. An annual meeting of the Board of Directors shall be held during each fiscal year within thirty (30) days following the annual meeting of the Association. The purpose of this meeting is to elect the Officers of the Association per Bylaws Article VI. The newly elected officers will assume their duties on January 1st of the year. Any other business, which is appropriate for action by the Board of Directors, may be transacted at this annual meeting.

Section 11. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times, dates, and places as the Board of Directors may determine from time to time. Any business, which is appropriate for action of the Board of Directors, may be transacted at a regular meeting.

Section 12. Special Meetings. Special meetings of the Board of Directors may be called from time to time by the President of the Association or shall be called upon the request of four of the Directors. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Directors present waive notice of any additional business.

Section 13. Notice of Meetings. Written, computer email, or telephonic notice of every regular or special meeting of the Board of Directors stating the time, date, and place of the meeting and, in the case of a special meeting, the business proposed to be transacted shall be given to every Director not fewer than three (3) days in advance of the meeting. Failure to give proper notice of a meeting of the Board of Directors shall not invalidate any action taken at the meeting unless (1) a Director who was present but was not given proper notice objects at the meeting, in which case the matter objected to shall not be taken up or (2) a Director who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following the meeting, in which case the action objected to shall be void.

Section 14. Waiver of Notice. Waiver of notice of a meeting of the Board of Directors shall be deemed the equivalent of proper notice. Any Director may, in writing, waive notice of any meeting of the Board of Directors either before or after the meeting. Attendance at a meeting by a Director shall be deemed a waiver by the Director of the notice of time, date, and place of meeting unless such Director objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

Section 15. Place of Meeting. All meetings of the Board of Directors shall be held at such convenient places as the Board may select. Meetings may be conducted by telephone if a quorum of Directors consents.

Section 16. Minutes of Meetings. The Secretary of the Association shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Board of Directors. A copy of the minutes shall be made available to each Board Member within thirty days (30) following each meeting, and all the minutes shall be made available for examination and copying by any Association Member at any reasonable time.

Section 17. Compensation. The Directors may receive such compensation as the Association may determine and shall be entitled to reimbursement by the Association for expenses incurred in the conduct of their duties.

ARTICLE VI

OFFICERS OF THE ASSOCIATION

Section 1. Designation. The Association shall have a President, a Vice President, a Secretary, and a Treasurer. The Association may also have one or more assistants to such officers as may be necessary from time to time. The offices of Secretary and Treasurer may be filled by the same individual and the combined office referred to as Secretary-Treasurer. The officers shall have the authority, powers, duties, and responsibilities provided by these Bylaws, or, to the extent not so provided, by the Board of Directors.

Section 2. Qualifications. Any elected Director of the Association may serve as an Officer of the Association.

Section 3. Election and Terms. Officers of the Association shall be elected at the annual meeting of the Board of Directors (see Bylaws Article V, Section 10) following the Member's Annual Meeting and at such other times as may be required to fill vacancies in any office. All Officers shall serve until their successors have been elected and assumed office unless sooner removed as hereinafter provided. An Officer may be re-elected to any number of terms. Officers will assume their office on January 1st of the year for which elected.

Section 4. Removal. Any officer may be removed from office at any time with or without cause by a vote of at least five of the seven Board of Directors concurring and participating at a meeting called in accordance with Article V of the Bylaws.

Section 5. Vacancies. Any vacancy in the Officers of the Association shall be filled by election from the Board of Directors by a majority vote of the remaining Directors, and the new Officer shall serve for the unexpired term of his predecessor.

Section 6. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in a corporate president, including but not limited to the power to appoint committees from among the Members and/or Directors from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 7. Vice President. The Vice President shall take the place and perform the duties of the President whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 8. Secretary. The Secretary shall prepare and keep, or cause to be prepared and kept, the minutes of all meetings of the Members and of the Board of Directors, and shall have charge of such other books and papers as the Board of Directors may direct.

Section 9. Treasurer. The Treasurer shall have custody of and responsibility for Association funds and securities and shall keep the financial records and books of account belonging to the Association. The Treasurer may also have charge of such other books and papers as the Board of Directors may direct.

Section 10. Compensation. The officers may receive such compensation as the Association may determine and shall be entitled to reimbursement by the Association for expenses incurred in the conduct of their duties.

ARTICLE VII

FINANCES

Section 1. Fiscal Year. The fiscal year of the Association shall be as determined by the Board of Directors.

Section 2. Budget. The Board of Directors shall prepare and submit, or cause to be prepared and submitted, to the Members at their annual meeting a proposed budget for the Association for the next fiscal year. The proposed budget shall set forth with particularity the anticipated common expenses for the next fiscal year and the amount of money needed to establish reasonable reserves for the payment of common expenses and contingencies.

Section 3. Approval of Budget. The proposed budget, as it may be amended upon motion by any Member, shall be submitted to a vote of the Members and when approved by a majority vote shall become the budget (Budget) of the Association for the fiscal year. The terms of the Budget shall be binding upon the Board of Directors unless and until such terms are amended by action of the Members.

Section 4. Source of Funding for Association. Funding for the Budget of the Association shall come from Annual and Special Assessments as established in the Covenants and Restrictions. Individual Assessments and Fines are imposed and collected on a case-by-case situation and will not be considered when the Board submits the Budget for approval. As stated herein, all monies collected by the Association, Annual Assessment, Special Assessment, Individual Assessment, and Fines, are provided to the Treasurer of the

Association. All monies collected become part of the general treasury for application toward common expenses.

Section 5. Collection. Members shall be personally liable for all assessments and fines and shall pay the same promptly when due. The Board of Directors shall take prompt action to collect by suit, foreclosure, or other lawful method any overdue assessment or fine. If any overdue assessment or fine is collected by an attorney or by action at law, the Member owing the same shall be required to pay all costs of collection, including attorney's fees and court costs.

Section 6. Accounts. The Board of Directors shall maintain on behalf of the Association a checking account with a federally chartered bank having an office in the county where the Properties are situated. The checking account of the Association may have the capability and facility to make payments electronically via the internet. The Board of Directors may also maintain on behalf of the Association an interest-bearing savings account or certificates of deposit with a federally chartered bank. All funds of the Association shall be properly deposited in one of said accounts, except that the Board of Directors may maintain a petty cash fund of not more than one hundred dollars (\$100) for payment of minor current expenses of the Association. The books and records relating to any account of the Association shall be made available for examination and copying by any Member at any reasonable time.

Section 7. Payments. The Board of Directors shall provide for payment of all debts of the Association from the funds collected from the Association. Expenditures specifically approved in the budget may be paid without further approval unless the Board of Directors shall otherwise determine. All other expenditures which are in excess of one hundred dollars (\$100) shall be reviewed and approved by the President or the Board of Directors before payment is made. All checks and requests for withdrawals drawn upon any account of the Association shall be signed by the President or the Treasurer or by any officer of the Association designated by the Board of Directors.

Section 8. Bonding. The Board of Directors shall procure a fidelity bond in an amount of not less than one hundred thousand dollars covering every individual authorized to withdraw funds from any checking or savings account maintained by the Association. The cost of the bond shall be a common expense.

Section 9. Audit. The Board of Directors shall direct an external and independent audit of the finances of the Association on an annual basis. This audit may be accomplished coincident with the required tax preparation and filing for the Association.

ARTICLE VIII

MAINTENANCE AND IMPROVEMENTS

Section 1. Maintenance by Board. The Board shall provide for the maintenance, repair and replacement of the common properties.

Section 2. Expenses. The expenses of all maintenance, repair, and replacement provided by the Board shall be common expenses, except that when such expenses result from willful acts, neglect, or abuse of a Member or guest of a Member, on the Common Properties, the expenses shall be charged and paid by such Member as an Individual Assessment. The common expenses shall be charged to all Members as appropriate under the Covenants.

Section 3. Improvements. If any improvements to the common properties shall be approved from time to time by the Members, the cost of such improvements shall be a common expense.

ARTICLE IX

INSURANCE

Section 1. Insureds. Insurance policies upon the common properties covering the items described in Section 2 below shall be purchased by the Board of the Association for the benefit of the Association, the Members, and any mortgagees, as their interests may appear. Provision shall be made for the Issuance of Certificates of Insurance. Such policies and endorsements shall be deposited with and held by the Secretary or Treasurer of the Association.

Section 2. Coverage. Insurance shall cover the following when available:

- a. The replacement value of all common elements. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and against such other risks as are customarily covered with respect to buildings and improvements similar to the buildings and improvements on the Common Properties.
- b. Public liability in such amounts and with such coverage as shall be determined by the Board of Directors.
- c. Workman's compensation (if required).
- d. Such other insurances as the Board of Directors may from time to time determine to be desirable.

Section 3. Premiums and Deductibles. Premiums upon insurance policies and that portion of any covered loss not compensated for because of the loss deductible clause of the policy shall be paid by the Association as a common expense.

Section 4. Proceeds. The proceeds received by the Association from any indemnity paid under a hazard insurance policy shall be held by the Board of Directors. After deduction of all reasonable expenses of the Board in administering such proceeds, the net proceeds shall be used to repair the damages for which claim was made under the policy.

ARTICLE X

LIABILITY AND INDEMNIFICATION

Section 1. Liability of the Association. A Member shall not be liable for a greater fraction of a debt or liability of the Association than represented by the assessments payable by such Member. All business correspondence of the Association and all contracts executed by the Association shall contain the following statement:

“Ashborough Civic Association is a Non-profit Corporation established pursuant to the laws of the State of South Carolina. No member thereof shall be liable for a greater fraction of a debt or liability of the Association than represented by the assessments payable by the Members.”

Section 2. Liability of Directors and Officers. No Director or Officer of the Association shall be liable to any Member for any decision, action, or omission made or performed by such Director or Officer in the course of his duties unless such Director or Officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Covenants, Restrictions, and Bylaws.

Section 3. Indemnification of Directors and Officers. The Association shall indemnify and defend each Director and Officer of the Association from any liability claimed or imposed against him by reason of his position or decision, action, or omission as a Director or an Officer of the Association if all of the following conditions are satisfied:

- a. Such Director or Officer is not required to bear such liability by the terms of the Covenants, the laws of South Carolina, or these Bylaws.
- b. Such Director or Officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same.
- c. Such Director or Officer cooperates with the Association in defending against the claim.

The expense of indemnifying a Director or an Officer shall be a common expense and shall be borne by all the Members, including such Director or Officer.

ARTICLE XI

ATTESTATIONS AND CERTIFICATIONS

Section 1. Attestation of Documents. The presence of the signature of the Secretary or an Assistant Secretary of the Association on any contract, conveyance, or any other document executed on behalf of the Association by another Officer of the Association shall attest:

a. That the Officer of the Association executing the document does in fact occupy the official position indicated, that one in such position is duly authorized to execute the document on behalf of the Association, and that the signature of the Officer subscribed on the document is genuine.

b. That the execution of the document on behalf of the Association has been duly authorized.

Section 2. Certification of Documents. When any documents relating to the Properties of the Association is certified as authentic by the Secretary or an Assistant Secretary of the Association, a third party without knowledge or reason to know to the contrary may rely on such document as being what it purports to be.

Section 3. Certification of Actions and Facts. When there is executed by the Secretary or an Assistant Secretary a written statement setting forth (1) actions taken by the Association or by the Board of Directors, or (2) facts relating to the Properties or the Association as determined by the Board of Directors, a third party without knowledge or reason to know to the contrary may rely on such statement as factually true and correct.

ARTICLE XII

CHANGES TO BYLAWS

These Bylaws may be changed, amended, and/or repealed and new Bylaws adopted per Article X of the Covenants and Restrictions.

ARTICLE XIII

MISCELLANEOUS

Section 1. Record of Ownership. Any person who acquires title to a Lot (unless merely as security for a debt) shall promptly inform the Board of Directors of his identity and the date upon and the manner in which title was acquired. The Board of Directors shall maintain a record of the names of all members and of the dates upon which they acquired title to their Lots.

Section 2. Mailing Address for Lot Owner. It is the Lot Owner's specific responsibility and requirement to provide the Association a current and correct mailing address for receipt of all correspondence that the Association is required to send in the conduct of business.

Section 3. Notices. Any notices or documents placed in the United States Postal Service mail addressed to the Member at the street address of the Lot owned by the Member or affixed to the front door of the dwelling on any Lot by or at the direction of the Board of Directors shall be deemed delivered to the member of such Lot unless he has previously specified to the Board of Directors in writing another address for delivery of notices and documents. Any

notice or document addressed to the Board of Directors and delivered to any Director by or at the direction of a Member shall be deemed delivered to the Board of Directors.

Section 4. Waiver. No provision of the Bylaws or regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches, which may have occurred.

Section 5. Conflicts. In the event of any conflict between the Bylaws and the Covenants and Restrictions, the Covenants and Restrictions shall control, as appropriate. In the event of a conflict between the Bylaws and the Board of Directors approved Regulations for Amenities, the Bylaws shall control.

Section 6. Severability. The provisions of the Bylaws are severable, and the invalidity of one or more provisions shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Section 7. Captions. Captions are inserted only as a matter of convenience and for reference and no way define, limit, or describe the scope of the Bylaws or the intent of any provision.

Section 8. Gender and Number. All pronouns shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural, and vice versa, whenever the context requires or permits.

Section 9. Rules of Order. All meetings of the membership and of the Board of Directors shall be conducted in accordance with Roberts Rules of Order Revised.

END OF BYLAWS