

By-Laws
of
Brandy Mill Homeowner's Association, Inc.

I. IDENTITY AND DEFINITIONS

These are the By-Laws of BRANDY MILL HOMEOWNER'S ASSOCIATION, INC. (hereinafter called the "Association") a South Carolina non-profit corporation incorporated by Declaration and Petition of Incorporation which has been organized for the purpose of administering Brandy Mill Subdivision. Definitions used with regards to Brandy Mill Subdivision and Brandy Mill Homeowner's Association, Inc. are as follows:

1. "Lot" means any numbered Lot shown on a recorded plat comprising a single dwelling site designated on any plat or survey recorded in the Office of the Clerk for Court of Horry County, South Carolina, located in Brandy Mill Subdivision.
2. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot specifically excluding, however, those persons who shall have such interest merely as security for the performance of any obligation.
3. "Person" means an individual, corporation, partnership, trust or any other legal entity.
4. "Developer" means Joseph L. Tamsberg, Jr., d/b/a Tamsberg Properties, or any successor-in-title to all or some portion of the property then subject to the Restrictions, provided in the instrument of conveyance to any such successor-in-title, such successor-in-title is expressly designated as the "Developer" hereunder by the grantor of such conveyance, which grantor shall be the "Developer" hereunder at the time of such conveyance.
5. "Restrictions" means the recorded Declaration of Conditions, Restrictions, Covenants and Limitations of Brandy Mill Subdivision, recorded June 18, 1987, in Deed Book 1141 at Page 319, records of Horry County, as the same may be amended, renewed or extended from time to time in the manner herein prescribed.
6. "Mortgage" means real estate mortgage, bill of sale to secure debt, deeds to secure debt, deed of trust and any and all other similar instruments given to secure the payment of an indebtedness.

7. "Association" shall mean and refer to Brandy Mill Homeowner's Association, Inc., its successors and assigns.

8. "The Properties" or "The Property" shall mean and refer to that certain real property described in the Restrictions and such additions thereto as may hereafter be brought within the jurisdiction of the Association or subject to the Restrictions.

9. "Plans", "Specifications", "Elevations", "Exterior Designs" and such like terms shall refer to and encompass the Plans, Specifications, Elevations and Designs, as well as setbacks, locations, etc. contained in the Restrictions.

10. "Member" shall mean and refer to all those persons entitled to membership as provided in the Declaration.

11. "Development", "Project", "Subdivision" and "Community" shall all mean and refer to The Brandy Mill Subdivision to be developed by the Developer.

12. "Phase" shall mean and refer to any additional area of Brandy Mill Subdivision, if, and when, such area is subjected to the Restrictions.

13. "Common Areas" shall mean all real property (including the improvements thereon) owned by the Association for the common use and enjoyment of the Owners.

14. "Maintenance Areas" shall mean those areas to be maintained in common by the Association for the benefit of all property owners, whether or not owned by the Association.

A. The provisions of these By-Laws are applicable to said Subdivision, and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Restrictions which terms and provisions of said Restrictions shall be controlling wherever the same may be in conflict herewith.

B. All present or future owners, present or future tenants, or their employees, are subject to the regulations set forth in these By-Laws and in said Restrictions.

C. The fiscal year of the Association shall be the calendar year.

II. MEMBERS MEETINGS

A. The qualification of members, the manner of their admission to membership and termination of such membership and

voting by members, shall be as set forth in the Declaration and Petition for Incorporation of the Association.

B. The annual members meetings shall be held in the Myrtle Beach, South Carolina area at a location to be set forth in the notice at 2:00 p.m., on the fourth Friday in October in each year for the purpose of electing directors and of transacting 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 day. The annual meeting may be waived by a unanimous agreement of the members in writing.

C. Special members meetings shall be held whenever called by the president or the 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 entitled to cast one-fourth (1/4) of the votes of the Class A Membership.

D. Notice of all members meetings stating the time and place and the objects for which the meeting is called shall be given by the president or vice president or secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of the meeting may be waived before or after meetings.

E. A quorum at a members' meeting shall consist of persons entitled to cast twenty-five (25%) percent of the votes of each class of membership of the Association except as otherwise provided in the Declaration and Petition for Incorporation, the Restrictions, or these By-Laws. The acts approved by a majority of each class of membership of the votes of the Association at a meeting in which a quorum is present shall constitute the acts of the members, except where approval by a greater number of members is required by the Declaration and Petition for Incorporation, the Restrictions, or these By-Laws. The joinder of a member in this action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

F. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the secretary before the appointed time of the meeting or any adjournment thereof.

G. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or in proxy, may adjourn the meeting from time to time, until a quorum is present.

H. At a members meetings, the President shall preside, or in his absence, the membership shall select a chairman.

I. The order of business at the annual members meetings, and, as far as practical at all other members meetings, shall be:

1. Calling of the roll and certifying of proxies.
2. Proof of notice of meeting or waiver of notice.
3. Reading of minutes.
4. Reports of Officers.
5. Reports of Committees.
6. Appointment by President or Chairman of Inspectors of Election.
7. Election of Directors.
8. Unfinished business.
9. New business.
10. Adjournment.

III. BOARD OF DIRECTORS

A. The initial Board of Directors of the Association (hereinafter referred to as the "Board") shall consist of three (3) persons, and succeeding Boards of Directors shall consist of five (5) persons. All of the Board shall be members of the Association, or shall be authorized representatives, officers, or employees of a corporate member of the Association except for those appointed by the Developer, who do not have to be members.

B. Election of Directors shall be conducted in the following manner:

1. Developer shall, at the beginning of the election of the Board, designate and select that number of the members of the Board which it should be entitled to designate and select in accordance with the provisions of the Declaration and Petition for Incorporation and the Restrictions and upon such designation and

selection by Developer by written instrument presented to the meeting at which such election is held, said individuals so designated and selected by Developer shall be deemed and considered for all purposes Directors of the Association, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws.

2. All members of the Board whom Developer shall not be entitled to designate and select under the terms and provisions of these By-Laws, shall be elected by a plurality of the votes cast at the Annual Meeting of the Association immediately following the designation and selection of the members of the Board whom Developer shall be entitled to designate and select.

3. Vacancies in the Board may be filled until the date of the next Annual Meeting by the remaining Directors, except that should any vacancy in the Board of Directors be created in any Directorship previously filled by any person designated and selected by Developer, such vacancy shall be filled by Developer designating and selecting, by written instrument delivered to any Officer of the Association, the successor Director to fill the vacated Directorship for the unexpired term thereof.

4. At the first Annual Meeting of the members held after the Developer no longer has the power, as provided herein, to select members of the Board, the term of office of the two (2) directors receiving the highest plurality of votes shall be established at two (2) years. Thereafter, as many directors of the association shall be selected at the annual meeting, as there are regular terms of office of Directors expiring at such time. However, Directors shall always be elected in alternate years so that terms are staggered and there are never more than three (3) Directors elected in one (1) year, with at least two (2) Directors carried over. 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 may be provided by law for the removal of Directors of South Carolina corporations for profit.

5. In the election of Directors, each lot shall be entitled to one (1) vote regardless if more than one (1) person owns said lot. The persons receiving the largest number of votes shall be elected and cumulative voting is not permitted.

6. In the event that Developer, in accordance with the privilege granted unto it, selects any person or persons to serve on any Board, the said Developer shall have the absolute right at

any time, in its sole discretion, to replace any such person or persons with another person or persons to serve on said Board. Replacement of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board. The removal of any director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

C. The organization meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as 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.

D. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of a regular meeting shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

E. Special meetings of the Board may be called by the president and must be called by the secretary at the written request of one-third of the directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place, and purpose of the meeting.

F. Any director may waive notice of the 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 a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board, except where approval by a greater number of directors is required by the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements or these By-Laws.

H. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

I. 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.

J. The presiding officer of the directors' meetings shall be the Chairman of the Board if such officer has been elected; and if none, then the president shall preside. In the absence of the presiding officer the directors shall designate one of their number to preside.

K. Directors fees, if any, shall be determined by the members of the Association.

L. The undertakings and contracts authorized by the initial Board shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first board of Directors duly elected by the membership so long as any undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Declaration and Petition for Incorporation and the Restrictions and these By-Laws shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by lot owners when such is specifically required. Such powers and duties of the Board shall include but shall not be limited to the following, subject, however, to the provisions of the Declaration and Petition for Incorporation and the Restrictions and these By-Laws:

A. To make and collect assessments against lot owners to defray costs and expenses of the Association.

B. To use the proceeds of assessments in the exercise of the powers and duties.

C. The maintenance, repair, or replacement of property in the ownership of or under the control of the Association.

D. The purchase of insurance on the Association property and insurance for the protection of the Association and its members.

E. The reconstruction of improvements, if any, after casualty loss and the further improvement of the property.

F. To make and amend reasonable regulations respecting the use of the property in the Association in the manner provided for by the Restrictions.

G. To enforce by legal means the provisions of the Declaration and Petition for Incorporation and the Restrictions.

H. To contract for the management of the Association and delegate to the contractor all powers and duties of the Association except such as are specifically required by the Declaration and Petition for Incorporation and the Restrictions to have approval of the Board or the membership of the Association.

I. To employ personnel to perform the services required for proper management of the Association.

J. To foreclose any lien for unpaid assessments in the same manner as mortgages.

V. OFFICERS

A. The executive officer of the Association shall be a president, who shall be a director, a vice president, who shall be a director, and a secretary-treasurer, who shall be a director, all of whom shall be elected annually by the Board and who may be preemptorily 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-treasurer. The Board 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 at 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 the president. He shall also generally assist the president and exercise such other powers and perform such other duties as shall be described by the directors.

D. The secretary-treasurer 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 other notices required by law. He shall keep the records of the Association, and shall perform all other duties instant to the office of a secretary of an Association and as may be required by the directors or the president, shall have custody of all property of the Association, including the funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties instant with office of treasurer.

E. The compensation of all officers and employees of the Association shall be fixed by the 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 managing of the Association.

VI. BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, Incorporation papers and Bylaws shall be available for inspection by any member at the principal office of the Association.

VII. NON-LIABILITY AND INDEMNITY OF DIRECTORS AND OFFICERS

A. No Director or officer of the Association shall be liable for acts, defaults, or neglects of any other Director or officer or member for any loss sustained by the Association of any co-owner, unless the same shall have resulted from his own willful or negligent act or omission.

B. Every Director, officer and agent of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with or resulting from any claim, action, suit, procedure, investigation, or inquiry as to whatever nature in which he may be involved as a party or otherwise by reason of his being or having been a Director, officer or agent of the Association whether or not he continues to be such Director, Officer or agent at the time of incurring or imposition of such cost, expenses, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation, or inquiry to be liable for willful misconduct or neglect in the performance of his duties, in the absence of such final adjudication of the existence of such liability, the Association and each member thereof and officer or agent thereunder may conclusively rely on an opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in

addition to and not in limitation of all other rights to which such person may be entitled as a matter of law, and such shall inure to the benefit of the legal representative of such person.

VIII. PARLIAMENTARY RULES

Roberts' Rules of Order, (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements, and these By-Laws.

IX. AMENDMENT

A. These By-Laws may be amended in the following manner:

(1) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

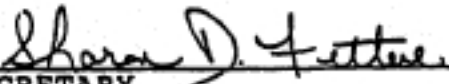
(2) A resolution for the adoption of the proposed amendment shall be presented to the meeting of the members.

(3) The amendment shall be approved by members owning two-thirds (2/3) of all lots in the subdivision.

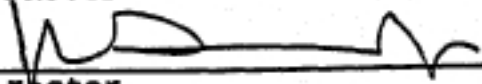
B. The Amendment shall be attached to a Certificate executed by the officers of the Association, certifying that the amendment was duly adopted and shall be recorded in the office of the Clerk of Court for Horry County, South Carolina.

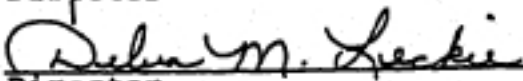
X. CONFLICTS

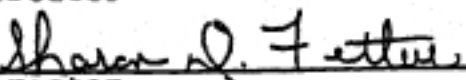
In the event of any conflicts between the provisions of the Declaration and Petition for Incorporation and the Restrictions and the provisions of these By-Laws, the provisions of the Declaration and Petition for Incorporation and the Restrictions shall control.


SECRETARY

APPROVED:


Director


Director


Director