

By-Laws Approved

February 19, 2006; By-Laws Revisions Approved February 20, 2011 and March 19, 2017

#### ARTICLE I- NAME AND PURPOSE

This association is incorporated and organized as a non-profit private entity under the laws of South Carolina under the name of "Hallmark Shores Racquet & Residents Club, Inc." located in Lexington County, for the **purpose of enforcing the restrictions and performing the duties in the Agreement Deed dated 2/10/2000, Book 5644, Page 335 and establishing and maintaining recreational and other neighborhood facilities for its members.** This nonprofit corporation and a copy of its by-laws will be recorded with the South Carolina Secretary of State.

#### ARTICLE II - MEMBERSHIPS

Section 1- The number of memberships issued by the association shall be limited to residents and property owners as defined in ARTICLE III, Section 1. Fees will be determined by members at the annual meeting or by an amount suggested by the Board of Directors and approved by the members.

Section 2-Membership privileges shall be awarded only as outlined in ARTICLE III of these by-laws.

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### ARTICLE III - MEMBERSHIP AND RIGHTS THEREUNDER

Section 1- No person or family group may be members unless they are residents. Persons eligible for membership include any person or family group that was a member in good standing as of March 13, 2011-2023 and any person or family group that can provide evidence that they own property or reside in the Hallmark Shores subdivision developed by Lucius Porth. Acceptance of evidence will be determined by a simple majority vote of the officers and Board of Directors. Areas that are included without question are: All of East Circle Drive, all of West Circle Drive, all of Dogwood Lane, all of Tennis Court Lane, all of Merry Drive, all of Valleydale Drive, all of Mallard Point, all of Beechcreek Circle, all properties on the West side of Driftwood Drive, all properties on the North side of Beechcreek Road between Hallmark Drive and Driftwood Drive, all Country Woods properties on Jarrah Drive, Devin Drive, Chowning Place, Kirby Lane and Ponds Lane, all properties on Panorama Drive up to the Porth property and all properties on the South side of Beechcreek Road between Hallmark Drive and Old Cherokee Road that can provide evidence of being in the Hallmark Shores subdivision.

Section 2- No person or family group shall be an active member of the club unless first, they have paid their dues in the club, and agree to abide by the By-Laws and all rules of the club.

Section 3- Each full member family group shall have the privilege of participating in all club functions and the use of club facilities provided they are active members. Each such family group shall be entitled to one vote at membership meetings.

Section 4- Residents/Property owners who reside in Hallmark Shores and do not have deeded access will have full use of the boat ramp facilities for as long as they maintain a full membership in good standing in the HSR&R Club Inc. Those Country Woods residents/property owners, who desire membership in the club will, after paying ~~initial fees and~~ annual dues, be granted membership. This will entitle the holder to full use of the facilities and one vote at membership meetings on all issues with the exception of those issues specifically designated by the Officers and Board of Directors as "Hallmark Shores Homeowners Only".

### ARTICLE IV - DIRECTORS AND OFFICERS

Section 1- The affairs of the club shall be governed by Directors and Officers

hereafter referred to as the "Board of Directors" or "Board". The Directors and Officers shall serve without compensation. At the discretion of the Board the Secretary or Treasurer may be compensated annually by an amount not to exceed the annual membership dues. Officers will normally serve one-year terms, however, additional terms may be served with the majority approval of the membership in attendance at the annual meeting. All Directors ~~with the exception of the Executive Director of Homeowner Affairs,~~ are elected for 2-year terms. It's been our experience that finding people to participate as Board members has been difficult. Board members serve of their own accord. All Directors and Officers must be members in good standing for a minimum of one year to serve on the Board.

Section 2 - The Directors shall be composed of five persons elected from the active membership. One Director, Director of Homeowners Affairs, is a non-voting Director.

Section 3- The Officers of the club shall be President, Vice-President, ~~and~~ Secretary ~~and~~ Treasurer. The officers shall be elected from and by the membership. The Officers shall take ~~office~~ office on the first of March, following the annual membership meeting in ~~February the first quarter~~ of each year. If for any reason the annual meeting is delayed until after March 1, then they shall take office upon election.

#### ARTICLE V- POWERS AND DUTIES OF THE DIRECTORS AND OFFICERS

Section 1- The Board of Directors in its Corporate capacity shall supervise, manage, and control the affairs of the club and shall make necessary rules and regulations not inconsistent with the law, the articles of incorporation, or these By-Laws. No Director in his individual capacity shall attempt to deal with members of the club unless authorized to do so by the Board of Directors.

Section 2-The Board of Directors shall hold its first meeting each year within one month following the annual meeting of the membership. Thereafter, the Board of Directors shall meet at its convenience, or call of the President or upon five days written notice given by a majority of the board to each individual Director. However, the Board shall meet a minimum of two times per year.

Section 3- At all Board of Directors meetings a quorum shall consist of five voting members of the Board and Officers and a majority of such quorum may decide any questions that come before the meeting.

Section 4-The Board of Directors shall appoint, from its own membership or other members of the club, such committees as it deems necessarily desirable, to conduct studies and formulate appropriate recommendations concerning various facets of the club's affairs. Responsibility for actions taken as a result of such studies and recommendations shall not rest on the committees themselves, however, but shall remain unequivocally vested in the Board of Directors.

Section 5- The Club shall not borrow any monies, sell, lease, or license any portion of The Club's common grounds or facilities (as described in Article IX, Section 3), approve any expenditures exceeding \$5000.00, or approve an increase of 25%, or more, of the operating budget without the approval of the membership in accordance with Article VI, Sections 2, 3, and 5. No expenditure of more than \$250.00 shall be made from club funds without specific authorization of the Board unless such items are a part of the operating budget approved and authorized by the Board of Directors and approved by the membership. Expenditures for utilities, taxes, and emergency repairs may be made without special Board approval.

Section 6-The Board of Directors shall select one or more financial institutions to act as depositories of the funds of the club and determine the manner of receiving, depositing, and disbursing the funds of the club. All checks drawn against club ~~for less than \$500~~ will be signed by the ~~Secretary~~/Treasurer. ~~Checks drawn against club funds for \$500 or more are required to be co-signed by the President.~~

Section 7-The President shall be the chief executive officer of the club; and as such shall preside at all meetings of the membership and of the Board of Directors; shall call special meetings of the Board of Directors and of members of the club; shall perform all acts and duties usually required of a chief executive, including appointing committee chairmen and ensuring that all orders and resolutions of the Board are carried into effect.

Section 8- The Vice-President shall, in the absence of the President, assume all of the responsibilities and perform all the other acts and duties usually required by the President. Should both the President and Vice-President be absent from any meeting, the Directors shall elect from their number a person to act as chairman of the meeting.

Section 9--A.) Duties of the Treasurer: The Treasurer shall have the responsibility of maintaining bookkeeping for The Club, for receiving, depositing, and disbursing all monies in the name of The Club in accordance with the provisions of the By-Laws, and for providing a current profit and loss statement to the Board during its regular meetings, or to the membership during its annual meeting or any special membership meeting called under Article VI, Section

2. In general, the Treasurer shall perform all the duties consistent with the office of Treasurer of an association and such other duties as may be assigned him by the President or The Board.

.B.)Duties of the Secretary: The Secretary shall keep the minutes of all meetings of the Board and the Membership. This shall include but not be limited to recording the outcome of all votes taken with a quorum present, the names, and addresses of all Members, be the custodian of the Corporate records, exhibit the records to any Member within fourteen (14) days of the receipt of a written request from any Member, and in general perform all duties consistent with the office of Secretary of an association, and such other duties as may be assigned by the President or The Board.

Section 10 - The duties of the Secretary may, at the request of the Treasurer,

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and with the approval of The Board, be assumed by another member of The Board. The Treasurer shall remain as the Officer of the Board.

## ARTICLE VI- MEETINGS

Section 1- The annual meeting of the active members of the club shall be held during the ~~month of February for first quarter of each calendar year for~~ the purposes of electing Directors and Officers for the coming year and to conduct other club business. The operating budget for the Club for the coming fiscal year shall be presented by the Treasurer and approved by the membership at this meeting. The times and places of these meetings will be designated by the President.

Section 2- Special membership meetings may be called by the President, a majority of the Board, or by the membership with a petition signed by at least 30% of the active members. Should the President or the Board fail to act on a petition, the originators of the petition shall have the authority to call and conduct the meeting. When any special membership meeting is called the President, or the Board, or the petitioners (whichever will be conducting the meeting), shall, within 14 days of the call, give written notice to the active membership of the time, place, and purpose of the meeting, and post such notice on the Club's website. The meeting shall be scheduled not less than 14 days, nor more than 30 days, from the date of such notice. Such meetings shall be held on weekends to optimize maximum participation of the membership.

Section 3-The presence of at least 25% of the active membership shall constitute a quorum for the transaction of business at any meeting of the Club. However, should the Club wish to borrow monies, ~~sell, lease, or license any portion of the Club's common ground or facilities,~~ approve any expenditures of \$5000.00 or more, approve an increase of 25% or more of the operating budget, or amend the by-laws of the Club, the presence of at least 50% of the Membership shall constitute a quorum. A two-thirds vote of the Membership is required to decide any matters before the Membership that require a 50% quorum. If less than a quorum shall be in attendance at any time for which a meeting shall have been called, such meeting may, after a lapse of at least one-half hour, be adjourned by a majority of the active members present. The adjourned meeting shall be rescheduled in accordance with Article VI, Section 2.

Section 4. All meetings held by the club shall be conducted under Robert's Rules of Order.

Section 5- Proxy votes shall be allowed at all meetings of the Club that require a 50% quorum of the membership. Only one proxy may be assigned to an individual member for the purpose of only one meeting. The proxy/voting card shall be numbered and registered by the Secretary. The card shall contain:

Member household name.

A statement, "The undersigned authorizes the Secretary of the Club to vote on my behalf as directed herein"

-a voting block

-signature line with date

- "return to" name and address

- "return not later than" date

Explanatory and supporting documents will be attached. Proxy/voting

cards shall be included with the written notice of any special membership meeting requiring a 50% quorum. The Secretary will ensure that all proxy/voting cards returned to him are registered and legitimate. The Secretary shall vote the proxies only as directed therein.

Section 6 - Voting on matters that require a 50% quorum of the Membership shall be conducted by secret ballot. It is the responsibility of the Board to ensure the integrity of any and all matters requiring a vote by secret ballot. The Board shall inform the Membership at that meeting as to the number of votes cast and the outcome of the vote. The results of the vote will also be reflected in the minutes of the meeting.

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#### ARTICLE VII- DUES AND ASSESSMENTS

Section 1- The annual dues shall be determined by the Board of Directors. Dues must be paid yearly, in advance, and are due by March 1 of each year. However, a 30-day grace period, from the first day of March, shall be granted to all active memberships. A late payment charge as established by the Board of Directors may be levied at its discretion.

Section 2 Failure to pay dues as prescribed, shall result in suspension of privileges and assignment to non-member status. Reinstatement requires a majority vote of the Officers and Board of Directors. Any repayment amount required for reinstatement must be approved by a majority vote of the Officers and Board of Directors.

#### ARTICLE VIII- SUSPENSION OR REVOCATION OF THE USE PRIVILAGE

Section 1- The Board of Directors may deny the use of the club facilities to any person or family group upon finding that he has violated the rules and regulations of the club or that such action is necessary to carry out the principal purpose of the club as expressed in its Charter and elsewhere in these By-Laws. It is the intent of this section that each member of the club shall be responsible for the action of other members of his family group and for his guests.

Section 2- Any person against whom action under this Article is contemplated shall be given at least five days advance notice of the proposed action and shall be provided a reasonable opportunity to be heard or be represented at the meeting of the board in which the proposed action is to be initiated. Only upon written request of the alleged offender, unanimously concurred by all Directors present at any meeting of the board, shall the five days' notice be waived.

Section 3- Denial of privileges to any person for more than two weeks shall be only by action of at least 2/3 of the Directors at a meeting, the notice of which has included the proposed action. Any person whose privileges have been permanently revoked by the Board may file a written petition for a membership meeting for the purpose of reviewing the action taken by the Board of Directors. The petition shall require the signatures of at least fifteen active members and

the notice of such membership meeting will include the fact that a petition has been filed for this meeting. If a majority of the active membership voting at the meeting shall oppose the action of the Board, the permanent revocation shall be declared void.

Section 4 - If the privileges of a family group are permanently revoked, all membership rights and privileges in the club shall be terminated immediately.

#### ARTICLE IX- GENERAL

Section 1- The books and accounts of the club shall be audited annually by an audit committee appointed by the President. Any irregularities found by the audit committee shall be reported immediately to the President and the Board of Directors. The report of the committee and other results of the audit shall be made available to the membership at the annual meeting.

Section 2 - The fiscal year for the club shall be March 1 to February 28.

Section 3- Visitors and Guests shall be admitted to the activities of the club when accompanied by a member of the club. Bona fide house guests are deemed accompanied by a member for use privileges. Residents of Hallmark Shores and Country Woods that are not club members, or do not have deeded access to the lake, may not use the facilities of the club either individually or as guests of members. The facilities include, but are not limited to, the tennis courts, the picnic shelter, the playground at the tennis court, the basketball and volleyball areas,, the boat ramp and surrounding area, the picnic tables in the boat ramp area, the dock, the large field at Hallmark Drive and West Circle Drive that is used for baseball and other activities and the wooded area next to the tennis courts. Members using the facilities of the club for any group activity may be required to provide proof of adequate liability insurance.

Section 4 - All use of alcoholic beverages on the premises of the club will be in accordance with the ABC laws and statutes of the State of South Carolina.

#### ARTICLE X - AMENDMENTS

Section 1 - These by-laws may be amended in accordance with provisions established under Article VI, Sections 2, 3, and 5 and subject to the same limitations and prohibitions set forth in the Certificate of Incorporation of the Club. Any notice of proposed amendments to these by-laws shall include time, place, and purpose of the meeting, a copy of the proposed amendments, and a proxy voting card. The notice of the meeting and proposed amendments shall be posted on the Club's website not later than the day the required notice is mailed.

Section 2 - A copy of these By-Laws and any new amendments are to be filed with the South Carolina Secretary of State's office within 90 days of any change

approved by the membership.

#### ARTICLE XI - EXECUTIVE DIRECTOR OF HOMEOWNER AFFAIRS

The office of Executive Director of Homeowner Affairs is established for the administration of homeowner/property owner duties previously conducted by Hallmark Shores Inc. The director will work directly under the president of the Hallmark Shores Racquet and Residents' Club, Inc. The director will utilize the authority granted to the Hallmark Shores Racquet and Residents' Club, Inc. to conduct all homeowner/property owner related duties. These duties will include administration of covenants and restrictions, house construction review and approval, variance approval, new homeowner/property owner contact with deed and restriction review, handling homeowner/property owner disputes, conducting legal research and duties as directed by the president, the monitoring of health, safety, general condition, and well-being of the neighborhood.

The executive director will keep the president informed of all activities and will act only with the approval of the president and/or the board of directors. All requests for variance approval will require approval by vote of the board of directors. In addition the vote of the president and the board of directors of the Hallmark Shores Racquet and residents' Club, Inc. will be the final authority in dealing with any homeowner/property owner issues.

The executive director will be a non-voting member of the Hallmark Shores Racquet and Residents' Club, Inc. board of directors and as such must be a current resident of Hallmark Shores. The executive director will be elected from the active membership to serve a term of four years, which may be extended by the same membership. A person cannot be the executive director of homeowner affairs and a voting member of the board of directors at the same time.