

BY-LAWS
OF THE
EAGLES NEST HOMEOWNERS ASSOCIATION

**ARTICLE I
NAME AND LOCATION**

These are the By-Laws of the Eagles Nest Homeowners Association, hereinafter referred to as the "Association." The principal office of the Corporation shall be located at 3710 Landmark Drive, Suite 114, South Carolina 29204, but meetings of Members and Directors may be held at such places as may be designated by the Board of Directors from time to time.

**ARTICLE II
DEFINITIONS**

The capitalized terms used herein shall have the same meaning as the defined terms set out in the Declaration of Covenants, Restrictions and Easements for Eagles Nest dated _____, 2008, and recorded in the Office of the ROD for Lexington County in Book _____ at Page _____ (the "Declaration").

**ARTICLE III
PURPOSE AND POWERS OF THE ASSOCIATION**

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation, and architectural control of the residential Lots, Common Area and Area of Extended Lot Owner Responsibility within those certain tract(s) and/or lot(s) of Property described in Exhibit A attached to the Declaration and incorporated by reference, and to promote the health, safety and welfare of the residences within the Community and any additions thereto as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

(a) Exercise all of the powers and privileges and to perform, or delegate to an appropriate person or entity the authority to perform, all of the duties and obligations of the Association, including the establishment and amendment of the Regulations of the Association and the use and maintenance of the Common Area and Area of Extended Lot Owner Responsibility, as set forth in the Declaration as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth in length;

(b) Fix, levy, collect and enforce payment by any lawful means, all Assessments pursuant to the terms of the Declaration; pay all expenses in connection therewith; and pay all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property including, but not limited to the Common Area, as determined advisable by the Board of Directors;

(d) Borrow money, mortgage, pledge, deed in trust, or hypothecate any and all of its real or personal property including, but not limited to the Common Area, as security for money borrowed or debts incurred upon arrival by the affirmative casting of two-thirds (2/3) of all Class A and B votes of the Association;

(e) Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional residential property and Common Area, provided that any such merger, consolidation, or annexation shall have the assent of Members of the Association controlling a majority of all Class A and B votes of the Association, provided, however, that this shall not affect the right of the Declarant to add additional Property to the Community and Association as set out in the Declaration;

(f) Make, by decision of the Board of Directors, and subject to applicable law, any election of a fiscal year for the Association, as the Board of Directors shall determine from time to time;

(g) Designate, by decision of the Declarant or the Board of Directors, as set forth in the Declaration and by amendment to these By-Laws, areas to be under the authority and control of the Association pursuant to voting rights of the Members as established by the Declaration, these By-Laws, as amended, and the Board of Directors.

(h) To have and exercise any and all powers, rights, and privileges which a corporation organized under the nonprofit corporation law of the state of South Carolina by law may now or hereafter have or exercise including the right to enter into agreement with other Associations and entities for the management and maintenance of Common Area of such Association or entities;

(i) Notwithstanding the purposes and powers of the Association enumerated above, the Association, after passage of control to the Owners by converting Class B stock to Class A stock as set forth in the Declaration, shall not enter into, either directly or indirectly, contracts or leases with the Declarant (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control in accordance with the Declaration, upon not more than ninety (90) days notice to the other party to the said contract or lease.

ARTICLE IV **MEETING OF MEMBERS**

Section 1. Annual Meetings. The first annual meeting of the Members shall be held at a time, date, and place established by the Declarant within twelve (12) months after the organization of the Association. Subsequent annual meetings of the Members shall be held at a time, date and place established by the Board of Directors each year so long as no annual meetings of the Members

shall be scheduled on a legal holiday. As long as the Declarant maintains its Class B membership, the Declarant shall appoint the Board of Directors and the only purpose of the annual meeting will be (1) to serve as a town forum in which the president and officers report on and answer reasonable questions concerning the activities and financial condition of the Association; and (2) consider matters raised consistent with the requirements of the South Carolina NonProfit Corporation Act, S.C. Code Ann. § 33-31-101 et seq., hereinafter referred to as the “Act.”

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the Declarant, President or by the Board of Directors, or as prescribed under the Act. Only those matters that are within the purpose or purposes described in the meeting notice may be conducted at a special meeting.

Section 3. Notice of Meetings. Written notice specifying the place, day and hour of the meeting of the Members, and, in the case of the special meeting, also specifying the purpose of each meeting and the description of the matter for which the meeting was called, shall be given by, including the Declarant, any fair and reasonable manner. The mailing of a copy of such notice of a special or annual meeting by first class mail or registered mail, postage prepaid, at least ten (10) days (or if notice is mailed by other than first class or registered mail, at least thirty (30) days) and not more than sixty (60) days before such meeting date to each Member entitled to vote at the meeting, including the Declarant, addressed to the Members' address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice shall be considered fair and reasonable. The notice requirement may be waived by a Member before or after the date and time of the meeting as stated in the notice. The waiver must be in writing, be signed by the Member and be delivered to the Association for inclusion in the minutes of the meeting, except that the attendance of a Member at a meeting waives notice unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. Also, an Emergency Meeting may be called with a twenty-four (24) hour notice to those Members entitled to vote, upon the unanimous vote of the Association's Board in the event an issue requires the immediate attention of the Members of the Association. If a meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time or place, if (1) the new date, time, or place is announced at the meeting before adjournment and (2) the record date fixed pursuant to Section 9 of this Article for the adjourned meeting is not changed for the new meeting (either voluntarily by the Board or as required under the Act).

Section 4. Quorum. The presence at a meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members present shall have power to adjourn the meeting from time to time, without notice as long as the requirements of Section 3 of this Article are met. The quorum at the new meeting shall be reduced to five percent (5%) of each Class of Members.

Section 5. Proxies. Votes may be cast in person or by proxy. All appointment of proxies shall be by written appointment form, signed either personally or by an attorney-in-fact and filed with the Secretary prior to the vote being taken at the meeting in the case of a vote that is taken at a scheduled meeting (or such other time set out on the appointment form or meeting notice) and by

the deadline established by the appropriate notification of a vote to be taken in any other manner. Except as otherwise allowed herein or by written authorization of the Board of Directors of the Association, no appointment form shall confer on the proxy a broader authority than to vote on the matter(s) or at the meeting(s) than is defined on the appointment form. Every proxy shall be revocable at the pleasure of the Owner or any one of the Co-owners issuing it, up to the time that the vote for which it was issued is cast and shall automatically cease upon conveyance by the Owner or any of the Co-owners of that Lot, the Member attending any meeting and voting in person, the Member signing, and delivery to the Secretary in writing revoking the appointment, or upon receipt of notice by the Secretary or the officer or agent authorized to tabulate the vote prior to the proxy casting vote of the death of the Member.

Section 6. Parliamentary Rules. Robert's Rules of order (latest edition) or such other rules as the Board of Directors may adopt shall govern the conduct of corporate proceedings when not in conflict with the Declaration, the Articles of Incorporation, these By-Laws or with the statutes of the State of South Carolina.

Section 7. Failure to Hold Meetings. The failure to hold an annual or regular meeting at a time stated in or fixed in accordance with these By-Laws does not affect the validity of a corporate action.

Section 8. Authorization to Vote and Notice by Owner. It shall at all times be the responsibility of any Lot Owner and all Co-owners to keep current with the Association, the name and address of the person authorized to cast the vote assigned to that Lot and to receive notification from the Association as to any meetings which the Association may be required to send. Proof of the authority to receive notice and to vote shall be presented to the Association in the form of a certificate signed by the Owner or all of the Co-owners of the Lot. Such certificate shall be deemed valid until revoked by a subsequent certificate.

Section 9. Record Date. The Board of Directors shall set the record date for determining the Members entitled to notice of a Members meeting; to vote at a Members meeting; and to exercise any rights in respect of any other lawful action. The record date shall not be more than seventy (70) days before the meeting or action requiring a determination of the Members occurs.

Section 10. Voting Requirements. Unless otherwise required in these By-Laws, the Declaration, the Articles of Incorporation, or the law, the affirmative vote of the votes represented and voting, which affirmative vote also constitutes a majority of the required quorum, is the act of the Members.

Section 11. Action by Written Ballot. Any action that may be taken at any annual, regular or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter and the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at the meeting.

ARTICLE V
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number & Types. The affairs of this Association shall be managed by a Board of not less than three (3) Directors, who need not be Members of the Association; provided, however, that so long as the Declarant maintains its Class B Membership, all Directors shall be appointed by the Declarant unless the Declarant voluntarily waives its appointment power and authorizes the Association to elect Directors in accordance with these Bylaws. At any time the Declarant, so long as it maintains its Class B Membership, or the Association thereafter by the affirmative vote of a majority (51%) of all of the Members' votes, may increase or decrease the number of Directors of the Association so long as there are never less than three (3) Directors at any given point, and so long as the rest of the terms of these Bylaws are adhered to. All Directors who are also Members must be in good standing with the Association in order to seek election to, or continue to hold a position on, the Board of Directors.

Section 2. Term of Office. At the first annual meeting after the termination of the Declarant's Class B votes, the Members will elect five (5) Directors for staggered terms in accordance with Article VI, Section 2 of these By-Laws.

Section 3. Removal. At any time, any Director(s) appointed by the Declarant may be removed from the Board, with or without cause, by the Declarant by giving written notice of removal to the Director and either the presiding officers of the Board of Directors or the Association President or Secretary. Any Director(s) elected by the Association may be removed from the Board of Directors, with or without cause, by the affirmative casting of a majority (51%) of all of the votes of the Association. Any Director(s) who is a Member and who is not in good standing with the Association, or who misses three (3) consecutive Board meetings (unless such absence shall have been excused by the Chairman of the Board of Directors or other person(s) authorized to do so), may be immediately removed from the Board of Directors by the remaining Board members and replaced in accordance with these By-Laws. In the event of death, resignation, or removal of a Director, a successor shall be selected by the Declarant, if that Director was appointed by the Declarant, or the remaining Members of the Board of Directors, if elected by the Members of the Association and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. Compensation of any Director shall require the affirmative casting of a majority (51%) of all of the Class A and B votes. This provision shall in no way require the Members approval of or preclude the Board of Directors from compensating a Director for his duties as an officer of the Association, from employing a Director as an employee of the Association, or shall it preclude the Association from contracting with and thereafter compensating a Director for the management of the Association.

Section 5. Action Taken Without a Meeting. Provided that all Directors are given prior written notice of the matters to be voted upon and a specified time period set by the Board in which to respond by sending written votes on such matters, the Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written

consent of a majority (51%) of the Directors, which shall represent a quorum. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. Reversal of Board of Directors. A decision of the Board of Directors, an officer or a committee of the Association may be reversed or modified by the Declarant as long as the Declarant owns any portion of the Property.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Except where Directors are appointed or replaced by the Declarant or the Board of Directors, nomination for election for the Board of Directors shall be made by a Nominating Committee or as specified in guidelines set forth by the Board of Directors. For purposes of the first Annual Meeting, the Nominating Committee, when created, shall consist of a Chairman and at least two (2) more Members of the Association. For purposes of any and all Annual Meetings other than the first Annual Meeting, at least one member of the Nominating Committee shall be a member of the Board of Directors. The Nominating Committee shall be appointed by the Board of Directors. Members of the Nominating Committee shall serve from the close of the annual meeting until the close of the next annual meeting. 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. Such nominations may be made from among Members or non-Members.

Section 2. Election. Unless agreed to otherwise by the affirmative vote of a majority (51%) of Members entitled to vote and present at the meeting, election to the Board of Directors shall be by secret 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 these By-Laws and the Declaration. At the first annual meeting after the termination of the Declarant's Class B votes, the Members shall elect five (5) Directors: two (2) Directors for a term of one (1) year, two (2) Directors for a term of two (2) years, and one (1) Director for a term of three (3) years; and at each annual meeting thereafter, the Members shall elect successor Directors for terms of three (3) years. The term of any Director shall be automatically extended and shall not expire until the annual meeting at which a successor for that Director is elected. The person(s) receiving the largest number of votes shall be elected. If no nominee(s) are nominated pursuant to these ByLaws, that (or those) Director(s) shall be appointed by the current Board of Directors of the Association. Cumulative voting, voting more than one (1) time for any Director, is not permitted under any circumstances.

ARTICLE VII

MEETING OF DIRECTORS

Section 1. Regular Meetings. Until the end of the Declarant's Class "B" Membership, regular meetings of the Board of Directors shall be held at dates, times and places and as frequently as is deemed prudent by the Declarant. Upon the end of the Declarant's Class "B" Membership, regular meetings of the Board of Directors shall be held quarterly, or more frequently, and at dates,

times and places determined by a majority (51%) of the Board of Directors. Without the approval of all of the Directors, no meeting shall fall upon a legal holiday. No notice shall be required for regular meetings.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association or any two (2) Directors, after not less than two (2) days notice is given, either personally, by mail, or by telephone, to each Director, unless waived in writing signed by the Director or by attendance of the meeting without objection or participation.

Section 3. Quorum. A majority (51%) of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision authorized by a majority (51%) of the Directors either by written consent or when present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE VIII **POWERS, DUTIES AND REQUIREMENTS OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors, When Empowered, shall have the power, but not the obligation, to perform such duties as authorized by the Declaration, to include, but not be limited, to:

(a) Adopt, amend and publish the Architectural Guidelines for the Community and Regulations of the Association governing the Area of Extended Lot Owner Responsibility and the Common Area and facilities thereon and the personal conduct of the Members and their guests, and to establish Assessments for the infraction thereof;

(b) Suspend the voting rights, the right to use the recreational facilities on the Common Areas, and the services provided by the Association, including without limitation architectural review services, of a Member during any period in which each Member shall be in default in the payment of any Assessment levied by the Association or for any other violation of the Declaration, the Architectural Guidelines, or the Regulations;

(c) Exercise for the Association of all of the powers, duties, and authority vested in or delegated to the 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 (i) is absent from three (3) consecutive regular meetings of the Board of Directors unless such absence shall have been excused by the Chairman of the Board of Directors or other person(s) authorized to do so, or (ii) is otherwise not in good standing as a Member of the Association, including without limitation failure to pay Assessments when due;

(e) Employ a manager, an independent contractor, Treasurer of the Association or such other employees as they may deem necessary, to prescribe their duties and;

(f) Levy Assessments and to collect from the Members all costs of collection, including but not limited to court costs and reasonable attorney fees, for all infractions of the Association's Regulations, the Architectural Guidelines, the Declaration, Articles of Incorporation or these By-Laws.

(g) Delegate, in part or in total, to any employee, agent, director, officer, contractor, manager or other appropriate entity, any power or authority given to the Board of Directors by the Declaration or these By-laws.

Section 2. Duties. It shall be the responsibility of the Board of Directors to:

(a) Comply with the requirements of the Act regarding Annual Meetings;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) Perform such other duties as required by the Declaration, the Articles of Incorporation or the By-laws;

(d) Take legal action where it is deemed prudent and to be in the best interest of the Association by the Board of Directors, including without limitation foreclosure of the lien against any Lot for which Assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner or Co-owners personally obligated to pay the same as provided in the Declaration, or both;

(e) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. At all times the Association records with respect to payments made or due shall be deemed correct unless proper documentation to the contrary can be produced. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment. A reasonable charge may be made by the Board for the issuance of these certificates;

(f) Procure and maintain liability and hazard insurance on property owned by the Association in amounts established by the Board of Directors in its sole discretion and with insurance companies licensed to do business in South Carolina with a Best rating of AA or better;

(g) Cause and pay for all officers or employees having fiscal responsibilities to be bonded, if and as it may be deemed appropriate by the Board of Directors;

(h) Cause the Common Area to be maintained.

Section 3. Requirements. The Board shall not be authorized or obligated to initiate, and the Association shall not initiate, any judicial or administrative proceeding unless first approved by a seventy-five percent (75%) affirmative vote of the entire Association Membership, except that no such approval shall be required for actions or proceedings: (1)

initiated to enforce the provisions of the Declaration, these By-Laws, Architectural Guidelines, or Regulations; (2) initiated to challenge property taxation or condemnation proceedings; (3) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it. This Section 3 of Article VIII of these By-Laws shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

ARTICLE IX **OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Offices. The offices 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 of Directors from time to time by resolution create. Compensation for the officers and the employees of the Association shall be fixed by the Board of Directors of the Association. The Board of Directors may employ a Director as an employee of the Association, and may contract with and thereafter compensate that Director for the management of the Association.

Section 2. Appointment of Officers. All officers shall be appointed by the Board of Directors.

Section 3. Term. Officers of this Association shall be appointed 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.

Section 4. Special Appointments. The Board of Directors may appoint 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 of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any Officer may be removed from office with or without cause by a majority (51%) vote of the Board of Directors. Any Officer may resign at any time giving written notice to the Board of Directors, the President or 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person, otherwise no office may be held by the same person during the same time period. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; see that the orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, promissory notes, deeds and other written instruments and shall be authorized, along with the Treasurer and other authorized parties, to sign on all checking accounts. If any vote of the Board results in a tie, the President shall cast the tie-breaking vote.

(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 of Directors.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep any corporate seal obtained by the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing Members of the Association together with their addresses, authenticate the records of the Association and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all moneys 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; and keep proper books of accounts.

ARTICLE X **COMMITTEES AND ARCHITECTURAL REVIEW AUTHORITY**

When Empowered, the Association's Board of Directors by majority vote shall appoint an Architectural Review Authority for the Community. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose, including the establishment of a Nominating Committee as required herein. Compensation for committee members and for any employees of the Association assigned to or hired by these committees shall be fixed or approved by the Board of Directors of the Association. In addition to the committees appointed by the Board, there may be an appointed or elected committee for any Specific Purpose Area (the "Specific Purpose Committee") as follows:

Section 1. Establishment of Committee and Responsibilities. Upon termination of Declarant's Class "B" Membership or, prior to that point, at such time as the Board of Directors of the Homeowners Association shall resolve to do so, a Specific Purpose Committee may be established by the Board of Directors for each Specific Purpose Area. As set forth in the Declaration, each Specific Purpose Committee shall carry out the duties required of it by the Board of Directors.

Section 2. Specific Purpose Assessment and Budget. To fund these budgeted expenses, in addition to the Annual Assessment charged each Lot Owner in the Community, all Owners of the Lots in each Specific Purpose Area may be charged an annual Specific Purpose Assessment, which shall be a part of the Association's Lien on each Lot. At the option of the Declarant, or the Board of

Directors, When Empowered, this Specific Purpose Assessment may be paid in installments and may, when collected, be deposited by the Association in an account separate from the Annual Assessment charged all Lot Owners in the Community. At the same time that the Specific Purpose Area budget is created by the Board of Directors, or submitted to the Board of Directors by the Specific Purpose Committee, the Board of Directors shall determine or the Specific Purpose Committee shall submit to the Board of Directors for approval, the amount to be charged for the Specific Purpose Assessment and an installment schedule for payment of the Specific Purpose Assessment by the Owners of the Lots in each Specific Purpose Area.

If the Declarant, or the Board of Directors, When Empowered, requests that a Special Purpose Committee provide a budget, the Special Purpose Committee shall submit a proposal to the Declarant, or to the Board of Directors, When Empowered, for approval prior to such date as shall be set out by the Declarant, or to the Board of Directors, When Empowered, which date for submittal shall not be less than thirty (30) days after the date of notice to the Specific Purpose Committee of the submittal date. The Specific Purpose Area budget, amount of annual Specific Purpose Assessment and installment plan submitted to the Declarant, or to the Board of Directors, When Empowered, by the Specific Purpose Committee shall be deemed approved if not disapproved by the Declarant or by a majority of the Board of Directors, When Empowered, within thirty (30) days after submission or such shorter time established by the Declarant or the Board of Directors, When Empowered.

ARTICLE XI **BOOKS, RECORDS, AND PUBLICATIONS**

The books, records, publications, and papers of the Association shall at all times, during reasonable business hours, or other reasonable circumstances, and preferably by appointment, be subject to inspection by any Member. Upon reasonable notice to the Association or its designated manager, the Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies of the governing documents addressed in this paragraph may be purchased at a reasonable cost.

Upon written request, and pursuant to the Act, any Member shall be entitled to inspect the latest financial statements and accounting records of the Association.

ARTICLE XII **FUNDS AND BONDS**

Section 1. Payments and Depositories. All monies collected by the Association shall be treated as the separate property of the Association and such monies may be applied by the said Association to the payment of any of the expense of operating and managing the Association, or to the proper undertaking of all acts and duties imposed upon it by virtue of these By-Laws, the Articles of Incorporation and the Declaration. As the moneys for any Assessment is paid unto the Association by any Owner or Co-owner of a Lot the same may be commingled with the monies paid to the Association by the other Owners or Co-owners of Lots. All funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or use of the Common Areas, shall be held for the benefit of the Members of the Association.

The depository of the Association shall be such bank or other Federally Insured depository as shall be designated from time to time by the Board of Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.

Section 2. Bonds. At the discretion of the Board of Directors, fidelity bonds shall be required on all members of the Board of Directors, the Officers of the Association and any other persons, employees or entities handling or responsible for the funds of the Association. The amounts of such bonds shall be determined by the Directors, but if it is determined that bonds are to be obtained, they shall be at least equal to the amounts to be handled at any point by that person or entity. Unless verification that the bonds have been provided by such person or entity is obtained by or provided for the Board of Directors, the premiums for these bonds shall be paid by the Association as a common expense.

ARTICLE XIII **CORPORATE SEAL**

The Association may have a seal in circular form having within its circumference the name of the Association.

ARTICLE XIV **AMENDMENTS**

Section 1. Except as otherwise required herein, by law, by this Declaration or by the Articles of Incorporation of the Association, these By-Laws may be amended (i) by the Declarant, to the extent permitted by law, prior to the Board of Directors being Empowered, (ii) by a majority of the Board of Directors, When Empowered, or (iii) by mail or at a regular or special meeting of the Members, by the affirmative casting of a majority (51%) of all of the Class A votes of the Association present in person or by proxy and all of the Class B vote, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments by the Declarant or while there is Class B Membership. Without limiting the foregoing, the Association, and for so long as the Declarant owns at least one (1) Lot in the development, the Declarant, shall, at any time and from time to time as they see fit, have the right to cause this document to be amended to correct any clerical or scrivener's error(s) or to conform to the requirements of the Federal Housing Administration or the Veterans Administration or the Federal National Mortgage Corporation, FHLMC and such other secondary market agencies as the same may be amended from time to time.

Section 2. In addition to any other right to amend as set out herein, as long as the Declarant owns any portion of the Property the Declarant may amend and/or restate these By-Laws without the consent of the Owners, their mortgagees, or the Association. Subject to the Declaration and these By-Laws, every purchaser or grantee of any Lot or Common Area now and hereafter, by acceptance of a deed or other conveyance thereof, agrees that the By-Laws may be amended as provided herein.

Section 3. In addition to any other right to amend as set out herein, the Board of Directors may amend and/or restate these By-Laws without the consent of the Owners, their mortgagees, or the Association, in order to (1) designate, add, withdraw, or otherwise modify Neighborhoods or Neighborhood voting in the Community, or (2) add, subtract, or otherwise modify the number of Directors on the Board.

Section 4. In the case of any conflict of any Articles of Incorporation and these By-Laws or the Regulations of the Association, the Articles shall control; and in the case of any conflict between the Declaration, the Regulations, and these By-Laws, the Declaration shall control.

ARTICLE XV
MISCELLANEOUS

Section 1. In case of any conflict with the provisions of the South Carolina Non-profit Corporation laws, such laws shall control. Such laws are incorporated herein by reference as if fully set out herein.

Section 2. Subject to the right of the Board to set or a ruling by the Internal Revenue Service, the fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 3. The Association shall indemnify an individual made a party to a proceeding because the individual is or was a Director, or officer against liability incurred in the proceeding if the individual complies with the requirements of the Act and shall pay for or reimburse the reasonable expenses incurred by the director or officer who is a party to a proceeding in advance of final disposition of the proceeding if the director complies with the terms of the Act.

IN WITNESS WHEREOF we, being all of the Directors of the Association have hereunto set our hands and seals on _____, 2008.

DIRECTOR

DIRECTOR

DIRECTOR