

BY-LAWS

FOUR OAKS ASSOCIATION OF OWNERS, INC.

These are the By-Laws of the Four Oaks Association of Owners, Inc., a non-profit corporation under the laws of the State of South Carolina. The Association has been organized for the purpose of administering a planned unit development upon the lands described in the Declaration of Covenants, Conditions and Restrictions for Four Oaks (the "Declaration") to which these By-Laws are annexed.

I. GENERAL

A. Office of the Association. The office of the Association shall be at a place to be determined by action of the Board of Directors.

B. Fiscal Year. The fiscal year of the Association shall be the calendar year.

C. Purpose. The Association has been organized for the purpose of administering Four Oaks Planned Unit Development, a development located in Greenville County, South Carolina.

D. Application. These By-Laws shall apply automatically to all residence owners, tenants of such owners, employees of owners and tenants, and any other persons who use the property, or any part thereof.

II. MEMBERS

A. Definition. "Member" as used in these By-Laws shall mean and include a residence owner, co-owner, the Declarant (to the extent provided for by the Declaration), and each of their respective heirs, representatives and successors. Any person becoming a residence owner shall automatically become a member of the Association and be subject to these By-Laws, and this membership shall terminate without ar

formal action of Association whenever such person ceases to be a resident owner but such termination shall not relieve any such former residence owner from any liability or obligation incurred under or in any way connected with the property during the period of this ownership and membership, or impair any effective remedies which the Board of Directors of the Association or others may have against such former residence owner arising out of, or in any way connected with, such ownership and membership and the covenants and obligations incident thereto.

B. Vote of Members. On all matters upon which the members are entitled to vote, each member shall be entitled to cast one vote for each residence.

C. Initial Meeting. The initial meeting of members shall be held at the office of the Association approximately sixty (60) days following the completion of the transfer of title to units representing 80% of the votes of all residence owners (as that term is defined in the Covenants, Conditions and Restrictions) for the purpose of electing directors and transacting any other business authorized to be transacted.

D. Annual Meeting. Annual meetings of members after the initial meeting shall be held at the office of the Association at 8:00 p.m., on the first Friday in December of each year (beginning in the year in which said meeting date is more than twelve months following the initial meeting) for the purpose of electing directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day.

E. Special Meetings. Special meetings of members shall be held whenever called by the President or 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-third of the total vote of the Association.

F. Notice of Meetings. Notice of all 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 or Manager 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 five (5) days nor more than thirty (30) 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 meeting may be waived in writing either before or after meetings, and attendance at any meeting by a member shall be deemed a waiver of the notice requirements with respect thereto unless such member delivers written objection of failure to comply with such notice requirements to person presiding at the meeting.

G. Quorum. A quorum at meetings of members shall consist of persons entitled to cast a majority of the total vote of the Association. The joinder of a member in a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

H. Residences Owned Jointly, etc. The vote of the owners of a residence owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the owners of the residence or by the agent of such corporation or other entity, or by a general partner of a partnership, as the case may be, and filed with the Secretary of the Association. Such certificate shall be valid until revoked by a subsequent certificate. If such certificate is not on file, the vote of such members shall not be considered in determining the requirement for a

quorum for any other purpose.

I. Proxies. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary before appointed time of the meeting.

J. Approval Without Meeting. Approval or disapproval of a member upon any matter, whether or not the subject of an Association meeting, shall be by the same person authorized to cast the vote of such member if in an Association meeting.

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

L. Presiding Officer. The presiding officer at all meetings shall be the President, in whose absence the Vice-President shall preside. If neither such officer is present, the members shall elect a chairman to preside at the particular meeting.

M. Order of Business. The order of business at annual meetings of members, and, as far as practical at all other meetings of members, shall be:

1. Calling of the roll and certifying of proxies.
2. Proof of notice of meeting or waiver of notice.
3. Reading and disposal of any unapproved minutes.
4. Reports of officers.
5. Reports of committees.
6. Election of inspectors of election.
7. Election of directors.
8. Unfinished business.
9. New business.
10. Adjournment.

N. Powers and Duties of Members. Powers and duties of members shall be those powers and duties specifically and exclusively required by Covenants, Conditions and Restrictions and these By-Laws to be exercised and to be performed by the Association, which powers and duties shall be exercised and performed upon a majority of the total vote of the Association, except as otherwise provided in the Covenants, Conditions and Restrictions or these By-Laws, such powers and duties to include, but not be limited to, the following:

1. Election of directors, as provided in these By-Laws.

2. Removal of any Director upon vote of 75% of the total vote of the Association, and election of a replacement therefor upon vote of a majority of said total vote.

3. Determination whether to repair, reconstruct or rebuild after a casualty, as provided in the Covenants, Conditions and Restrictions.

4. Determination whether to make structural changes or additions, as provided in the Covenants, Conditions and Restrictions.

5. Promulgation of regulations, as provided in the Declaration.

6. Approval of amendments to the By-Laws, as provided in these By-Laws and to the Covenants, Conditions and Restrictions.

7. Approval of increase in assessments, as provided in the Declaration.

III. DIRECTORS

A. Number and Election. The Board of Directors shall consist of five members who shall be elected by the members of the Association. The first Board shall be elected at the initial meeting of members, one such Director being elected for five (5) years, one for four (4) years, one for

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two (2) years and one for one (1) year, or until the next annual meeting follow. y the expiration of their variou respective terms, whichever is the later. Upon expiration of the original terms, the vacancies thus created shall thereafter be filled for terms of three (3) years.

B. Manner of Election; Removal. The Directors shall be chosen by ballot at the initial meeting of members, and at appropriate annual meetings thereafter, or at any meeting held in place thereof. Each Director when elected shall serve, unless removed as hereinafter set forth, until the annual meeting of members at which his term expires and until his successor is elected. Any Director or Directors may be removed at any time, with or without cause, by vote of 75% of the total vote of the Association at any regular or special meeting thereof, and the removed Director may be replaced by a majority of the total vote of the Association at any regular or special meeting thereof.

C. Organizational Meeting. The Board of Directors, as constituted after the election of new Directors at the initial or annual meeting of members, shall hold an organizational meeting within ten (10) days after the meeting at such time and place as shall be fixed by the Directors present at such meeting of members, and no further notice of the organizational meeting shall be necessary provided a quorum shall be present.

D. Regular Meetings. Regular meeting of the Board of Directors shall be held at least once each month at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meeting shall be given to each Director, personally or by mail, telephone or telegraph at least three days prior to the day named for such meeting unless notice is waived.

E. Special Meeting. Special meetings of the Board

of Directors shall be held whenever called by the President or Vice-President or Manager or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from any three of the Directors.

F. Vote of Directors. Each Director shall have one whole vote, regardless of his percentage of undivided interest in the common area, and regardless of the number of residences owned by him.

G. General Provisions. Any meeting of the Board at which all Directors are present shall be as valid as if held pursuant to proper notice and if a meeting is held without notice, but if the absent Directors thereafter sign the minutes of the meeting, the same shall be a valid meeting as though called upon due notice.

H. Quorum of Board of Directors. A majority of the members of the Board of Directors shall be necessary to constitute a quorum for the transaction of business at any meeting but a smaller number may adjourn the meeting to a future time.

I. Vacancies in Board of Directors. Any vacancy in the office of any Director, however occasioned, may be filled, pending the election of his successors by the members, by the Directors.

J. Presiding Officer. The presiding officer of Directors' Meetings shall be the President, in whose absence the Vice-President shall preside.

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

L. Powers and Duties of Directors. Powers and duties of the Board of Directors shall consist of those powers and duties specified in the Covenants, Conditions and Restrictions and these By-Laws to be exercised and performed by the Board of Directors, which powers and duties shall be

exercised and performed on a majority of the total vote of the Board, except as otherwise provided in the Covenants, Conditions and Restrictions or these By-Laws, such powers and duties to include, but not be limited to, the following:

1. Employment of the Manager, as provided in the Declaration.
2. Discharge of the Manager, as provided in the Declaration.
3. Election of Officers.
4. Approval of plans for repair, reconstruction or rebuilding, as provided in the Declaration.
5. Approval of amendments to the By-Laws and the Covenants, Conditions and Restrictions, as provided in paragraph VII of these By-Laws.
6. Reception and consideration of the Manager's monthly reports on the state of the development.
7. Obtaining fidelity bonds as provided in these By-Laws.
8. Consideration and approval or disapproval of exterior changes by members of their residences as provided in the Covenants, Conditions and Restrictions.
9. Appointment of a public accountant or firm thereof to audit the books and records of the Association.

IV. POWERS AND DUTIES OF OFFICERS

A. Manager. The Board of Directors, as soon as is reasonably possible after the first election of Directors, shall employ a person or corporation professionally competent in property management to serve as manager of the Association, such employment to be authorized by vote of a majority of the whole Board. The Manager shall be paid such compensation as shall be determined by vote of a majority of the whole Board (all or a portion of which compensation may be in the form of use of a residence owned or controlled by the Association),

and shall hold office until discharged by vote of a majority of the whole Board.

B. Elected Officers. The Board of Directors, by vote of a majority of the whole Board, shall elect annually from the membership of the Association a President and a Vice-President, each of whom shall be a Director, together with a secretary and an Assistant Secretary, which officers or any of them may be removed at any meeting by vote of a majority of the whole Board. No person may hold more than one such office at the same time. Such officers shall serve without compensation.

C. Powers and Duties of Manager. The Manager shall be the chief executive officer of the Association and shall exercise all the powers and perform all the duties of the Association as provided in the Covenants, Conditions and Restrictions and these By-Laws (including all powers necessary and proper for carrying out such powers and duties) excepting only those powers and duties specifically and exclusively assigned by the Covenants, Conditions and Restrictions or these By-Laws, to be exercised by the other officers, the Board of Directors, or the membership of the Association. The Manager's duties shall include, but not be limited to, the following:

1. To report on the state of the planned unit development at the monthly meetings of the Board of Directors, and at special Board meetings called for that purpose, in such detail as required by the Board.

2. To manage the affairs of the Association in conformance with the Act and the development documents, including, without limitation, supervision of employees of the Association, purchase of supplies and equipment as authorized by the Board of Directors, and supervision of performance of contracts to which the Association is a party.

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3. To have custody of all property of the Association, including funds, securities and evidences of indebtedness; to keep the assessment rolls and accounts of the members; and to keep the books of the Association with good accounting practices as approved by the public accountant of the Association appointed from time to time by the Board of Directors.

4. To attend all Members' Meetings and all Board of Directors' Meetings.

D. President. The President shall preside at meetings of the members and meetings of the Board of Directors, and shall appoint such committees of the Association or the Board of Directors as he in his discretion determines to be appropriate in the conduct of the affairs of the Association. He shall exercise such other powers and perform such other duties as shall be prescribed by the Directors.

E. Vice-President. 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 prescribed by the Directors.

F. Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and 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, except those of the Manager, and shall perform such other duties incident to the office of Secretary as may be required by the Directors or the President.

G. Assistant Secretary. The Assistant Secretary shall perform the duties of the Secretary when the Secretary

is absent.

V. FISCAL MANAGEMENT OF THE ASSOCIATION

The provisions for fiscal management of the Association set forth in the Covenants, Conditions and Restrictions and elsewhere in these By-Laws shall be supplemented by the following provisions:

A. Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each member of the Association. Such an account shall designate the name and address of the member, the amount of each assessment against the member, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due upon assessments.

B. Budget.

1. The Manager shall prepare a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to, the following items:

(a) Common expense budget:

- (1) Maintenance and operation of common area and limited common area (that Association is to maintain);
- (2) Casualty insurance;
- (3) Liability insurance;
- (4) Administration;
- (5) Water and sewer charges, if any;
- (6) Charges for electricity and gas used in common areas; and
- (7) Other.

(b) Proposed assessments against each member:

- (1) Common expense budget; and
- (2) Other.

2. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 1

preceding the year for which the budget is made. If the budget is subsequently amended before the assessments are made, copy of the amended budget shall be furnished each member concerned.

C. Bank Accounts. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by the Manager.

D. Audit of Accounts. An audit of the accounts of the Association shall be made annually by a certified public accountant, or firm of accountants, and a copy of the report of such accountant with respect thereto shall be furnished to each member not later than April 1 of the year following the year for which the report is made.

E. Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors from all officers and employees of the Association handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least an amount equal to one-sixth (1/6) of the estimated total annual assessments against members for recurring expenses. The premiums on such bonds shall be paid by the association.

VI. PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Declaration of Covenants, Conditions and Restrictions or the South Carolina Law.

VII. AMENDMENTS

Amendments to the By-Laws shall be proposed and adopted in the following manner:

A. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any

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meeting at which a proposed amendment is to be considered.

B. Adoption. A resolution adopting an amendment must receive approval of a majority of the votes of the entire membership of the Board of Directors and two-thirds (2/3) of the total vote of the Association. Directors and members not present at the meetings considering the amendment may express their approval in writing.

VIII. MISCELLANEOUS

A. Priority of Declaration. In the event of a conflict between the Declaration and these By-Laws, the Declaration shall govern.

B. Use of Pronouns, etc. For purposes of these By-Laws, masculine or feminine pronouns shall be substituted for those in the neuter form, and vice versa, and the plural shall be substituted for the singular, in any place or places herein where the context may require such substitution.

C. Definitions. Words used in these By-Laws, unless specifically defined in these By-Laws, shall have the same meaning as set forth in the Declaration.

D. Headings. The headings or titles of sections or subdivisions of these By-Laws are inserted as a matter of convenience only, and are not intended to define or limit the subject matter of such sections or subdivisions in any manner.

FOUR OAKS ASSOCIATION OF OWNERS, INC.

BY: [Signature]

Its

And: [Signature]

Its