

BY-LAWS
OF
STONE CREEK COVE CONDOMINIUM ASSOCIATION 1, INC.

ARTICLE 1
NAME AND LOCATION

Section 1. Name. The name of the association is Stone Creek Cove Condominium Association 1, Inc., hereinafter referred to as the "Association".

Section 2. Location. The Association's principal office shall be the office of Stone Creek Homeowners Association, 1500 Providence Church Road, Anderson, SC 29624 unless and until a different location shall be chosen by a majority vote of the members. Meetings of members and directors may be held at such places within Anderson County, South Carolina as may be designated from time to time by the Board of Directors, or in notices of Annual and Special Meetings of members as provided under ARTICLE IX hereof.

DEFINITIONS

Section 1. Assessment means that amount of money which represents an owner's pro-rata share of the Association's common expenses as defined in Article X of the Regime.

Section 2. Association means Stone Creek Cove Condominium Association 1, Inc., its successors and assigns.

Section 3. Common Area means that portion of the property as designated in the Regime for the common use and enjoyment of the members, guests and tenants.

Section 4. Owner means a record owner whether one or more persons, of a fee simple title to any condominium unit, excluding, however, those persons having such interest merely as security for the performance of an obligation.

Section 5. Person means an individual, corporation, partnership, association, trustee or other legal entity.

Section 6. Property unless the context should otherwise require, means that land described in the Regime and which may be added from time to time as the Association sees fit.

Section 7. Regime means the Master Deed and Horizontal Property Regime for Stone Creek Cove Condominium Association 1, Inc., filed pursuant to the "Horizontal Property Act", 1962 Code of Laws of South Carolina amended South Carolina Code annotated, 1962, Section 57-494 et seq.

Section 8. Residence means a single family residential unit constructed as part of a residential building which contains two or more single family residential units.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person who is the record owner of a fee or undivided fee interest in any residence which is a part of the property and which is or may become subject to covenants of record or to assessments by the Association shall be a member of the Association. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation. No owner, whether one or more persons, shall have more than one membership per condominium unit. Membership shall be appurtenant to and may not be separated from ownership of any condominium unit. Ownership of a condominium unit shall be the sole qualification for membership.

Section 2. Voting Rights. The Association shall have one class of voting membership which shall consist of all members. Such members shall be entitled to the percentage vote for their respective residence as shown on the Regime for the Association. When more than one person holds such interest in any condominium unit, the vote for such condominium unit shall be exercised as they among themselves determine. In no event shall the vote cast exceed the percentage vote as shown on the Regime.

Section 3. Suspension of Membership and Voting Rights. During any period in which a member shall be in default in payment of any annual or special assessment levied by the Association, the voting rights of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, for a period not to exceed 30 days for violation of any rules and regulations established by the Board of Directors governing the use of the common area. If such member or his family who is under suspension does not comply with his suspension, the Board of Directors may impose such fine or fines for such violation as it may from time to time deem necessary.

ARTICLE III

PROPERTY RIGHTS:

RIGHTS OF ENJOYMENT

Section 1. Delegation of Rights. Each member shall be entitled to the use and enjoyment of the common area as provided in the Regime. Any member may delegate his rights of enjoyment of the common area to the members of his family or his tenants who reside on the property.

ARTICLE IV
BOARD OF DIRECTORS
SELECTION: TERM OF OFFICE

Section 1. Number. The business of the Association shall be conducted and managed by a Board of Directors which shall be composed of at least three, but not more than five, members of the Association.

Section 2. Election. The Directors shall be elected by plurality vote at each annual meeting of the members of the Association to serve until the conclusion of the next annual meeting.

Section 3. Removal. Any director may be removed from the Board with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of duties.

Section 5. Action Taken Without a Meeting. 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 approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Commencing with the month following the annual meeting of members, there shall be at least nine regular meetings of the Board of Directors. The time and place may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than a three days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Except as otherwise expressly provided, every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nominations for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor from among the members of the Association at the Annual Meeting.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot cast at the annual meeting. 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 the Regime. The candidates receiving the largest number of votes shall be elected.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power:

- (a) To adopt and publish rules and regulations governing the use of the common area and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) To exercise for the Association all powers, duties and authority vested in or delegated to the Association not reserved by the membership by other provisions of these By-Laws or the Regime;
- (c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors; and
- (d) To enter into management agreements with third parties in order to facilitate efficient operation of the development. It shall be the primary purpose of such management agreements to provide for the administration of the development, the maintenance, repair, replacement, and operation of the common area. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interest of the Association and shall be subject in all respects to the By-Laws and the Regime provided, that all such management agreements shall be limited in their terms to no more than one year, subject to renewal for additional one year terms at the option of the Association.

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

- (a) To cause to be kept a complete record of all its acts and affairs and present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by at least one-fourth of the members who are entitled to vote;

- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Regime:
 - (1) To fix the amount of the annual assessment against each residence at least 30 days in advance of each annual assessment period; and
 - (2) To deliver written notice of each assessment to each residence or to send written notice of each assessment to every member subject thereto at least 30 days in advance of each annual assessment period;
- (d) To issue, or to cause its duly authorized agent or an appropriate officer to issue, upon demand by a member at any such time a certificate setting forth whether the assessments on such member's residence have been paid. A reasonable charge may be made the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.
- (e) To procure and maintain insurance and perform all functions related thereto as provided for and in accordance with the terms of the Regime;
- (f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) To cause the common area to be maintained.

ARTICLE VIII COMMITTEES

Section 1. Appointment. The Board of Directors shall appoint an Architectural Control Committee, and Nominating Committee. The terms of appointment and reasons for removal shall be set forth by the Board of Directors. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as a Maintenance Committee, Landscape Committee and Audit Committee.

Section 2. Duties. The duties of the committees are as follows:

1. An Architectural Control Committee shall consist of three but not more than five members. They shall be responsible for preserving the original architectural appearance of the Units. No owner shall paint, decorate, or change the color of any exterior surface, gate, fence or roof, nor shall any Owner install, erect or attach any fence or wall, unless and until the plans and specifications showing the nature, and shape, height, materials, color and location of the same shall have

been submitted to and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structure by the Architectural Control Committee. Failure of the committee to approve/disapprove such plans and specifications within 30 days after receiving the written request and plans shall constitute approval. The committee shall advise the Board of Directors on all matters pertaining to exterior changes.

2. A Nominating Committee shall consist of three but not more than five members. The Chairman shall be a member of the Board of Directors. 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. The committee shall present a report to the Board of Directors at the Board meeting immediately preceding the annual meeting of members.
3. A Maintenance Committee shall consist of at least 3 members, preferably one from each building. The Chairman shall make written reports to the Board of Directors, advising the Board when maintenance, repair or replacement of any of the Common Area and Facilities and/or Limited Common Area and Facilities is needed, along with appropriate bids or costs for such maintenance, repair or replacement. The Committee shall be responsible for making emergency repairs necessary to prevent damage to the Common Area and Facilities, Limited Common Area and Facilities or to other Units.
4. A Landscape Committee shall consist of at least 3 members, preferably one from each building. The Chairman shall make written reports to the Board upon request. This committee shall be responsible for keeping the grounds of the Association in good, clean, attractive and sanitary condition. The committee shall be responsible for securing a contract annually for the services of an outside service for grounds maintenance and presenting such contract to the Board of Directors for approval. The President and Chairman of this committee shall sign the contract after Board approval. No Owner shall make any changes in the landscaping without first submitting a written request and plan for such change to the Landscape Committee for approval. Failure by this committee to give approval/disapproval within 30 days from receiving such request shall constitute approval. The Committee shall advise the Board of any such requests. The Board of Directors must first approve all expenditures by this Committee.
5. An Audit Committee shall consist of the number deemed necessary by the Board of Directors. The Treasurer shall be an ex-officio member. The Committee shall supervise the audit of the Association's books upon request of the Board of Directors. The Chairman shall present a written report to the Board of Directors and to the members of the Association at the annual meeting.

Section 2. Action on Complaints. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field or responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE IX

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the members shall be held in January, with the date and time set by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by two members of the Board of Directors, or upon written request of at least one-fourth (1/4) of the members of the Association who are entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, (a) by delivering a copy of such notice to each residence at least 15 days before such meeting, or (b) by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. At least fifty-one percent (51%) of members entitled to vote present at a meeting plus properly completed proxies returned by members entitled to vote shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote who are present shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy in whom the designated representative is another member or a member's spouse. All proxies shall be revocable and shall automatically cease upon conveyance by a member of his residence.

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a Secretary, a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office until the conclusion of the next Annual Meeting of members unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. The Board may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Death of any officer shall be construed as resignation. Such resignation shall take effect on the date of receipt of such notice or 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. The Board of Directors may fill a vacancy in any office subject to the same regulations as a nominee.

Section 7. Multiple Offices. The same person may hold the office of secretary and treasurer. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 1 of this Article X.

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

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments regarding the common area and shall co-sign all checks and promissory notes, if any.
- (b) 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.
- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as may be required of him by the Board.
- (d) The Treasurer shall prepare a current statement of income and expenditures to be presented at each meeting of the Board of Directors; prepare an annual budget to be approved by the

Board of Directors for presentation to the membership at its regular annual meeting; and prepare an annual statement of income and expenditures to be presented to the membership at the regular annual meeting. The Treasurer shall make available a copy for each member of the annual budget and annual statement of income and expenditures.

**ARTICLE XI
BOOKS AND RECORDS**

Section 1. Inspection. The Declaration, By-laws, books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member.

**ARTICLE XII
ASSOCIATION SEAL**

Section 1. Description. The Association shall have a seal in circular form having within its circumference the words: Stone Creek Cove Condominium Association 1, Inc.

**ARTICLE XIII
AMENDMENTS**

Section 1. Procedure. These By-laws may be amended, at a regular or special meeting of the members by a vote of the co-owners representing two-thirds (2/3) of the total value of the Property, except that any such amendment shall become effective only when set forth in a duly adopted and recorded amendment to the Regime as required by the Act.

Section 2. Conflicts. In the case of conflict between the Regime and these By-laws, the Regime shall control.

**ARTICLE XIV
MISCELLANEOUS**

Section 1. Fiscal Year. The Association shall operate on a calendar year, January 1 through December 31.