

**By-Laws
Of
Greystone Creek Homeowners Association, Inc.**

ARTICLE 1

GENERAL PROVISIONS

Section 1-101. Organization and Purpose

Greystone Creek Homeowners Association, Inc. (the "Association") is organized as a non-profit corporation under South Carolina law for such purposes and with such powers as are set forth in its Articles of Incorporation. Such purposes include administration of a neo-traditional neighborhood development located in Pickens County, South Carolina, near Clemson and known as Greystone Creek, a residential development, in accordance with the Declaration of Covenants, Conditions and Restrictions ("the Declaration") recorded in the Public Records of Pickens County, South Carolina as it may be amended. These By-Laws provide for the management and operation of the Association.

Section 1-102. Principal Office

The Principal office of the Association shall be 391 College Avenue, Suite 202, Clemson, Pickens County, South Carolina, or at such other location as is chosen by the Board of Directors.

Section 1-103. Definitions.

The words used in these By-Laws shall generally be given their normal, commonly understood definitions.

Section 1-104. Amendments.

For a period of two years after the incorporation of the Association, the Declarant member shall have the right to amend these By-Laws to correct errors, meet requirements of Institutional Lenders, or for other reasons deemed by Declarant to be beneficial, provided that such amendment does not materially adversely affect the rights of any Titleholder hereunder. Otherwise and thereafter, these By-Laws may be amended upon resolution of the Board of Directors and approval of a majority of a quorum of the votes of Members, except that no amendment which would materially affect the rights of the Declarant under these By-Laws or other Governing Documents shall be valid without the prior written consent of the Declarant. Notice of proposed amendments subject to the approval of members shall be published in the Associations official publication or otherwise sent by mail to each member at least 30 days prior to the meeting at which such amendment is to be considered, or at least 30 days prior to the close of balloting if no meeting is to be held.

ARTICLE 2

MEMBERSHIP

Section 2-101. Members

The Association shall have two classes of Members: Class A Members consisting of the property owners and the Class B Member who is the Declarant.

Section 2-102. Voting

(a) Voting Rights. The rights of Members to vote on matters arising before the Association shall be as specifically set forth in the Declaration of Covenants, which voting rights provisions are incorporated by the reference. Except as otherwise specified by the Declaration of Covenants, the vote of members entitled to cast more than 50% of a quorum of the total eligible votes on any matter shall constitute the decision of the members on such matter.

(b) Proxies. At any meeting of the Association, a member who is entitled to vote may cast its vote personally or through a designated proxy. A designation of proxy shall be in writing and shall identify the Homesite(s) for which it is given and the person designated to cast the votes for such Homesite(s). It shall be signed by the member or his duly authorized attorney-in-fact, dated and filed with the Secretary of the Association prior to the meeting for which it is to be effective. In the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

(c) Manner of Voting. Every proxy shall be revocable and shall automatically cease upon (a) conveyance of the homesite for which it was given, (b) receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a member who is a natural person, or (c) 11 months from the date of the proxy, unless a shorter period is specified in the proxy.

Section 2-103. Association Meetings.

- (a) **Annual Meetings.** The Association shall hold a regular meeting at least once each calendar year on such date and at such time and place as the Board of Directors shall determine.
- (b) **Special Meetings.** The President may call special meetings of the Association from time to time for any purpose or to transact any business as to which the members are entitled to vote under the Declaration of

Covenants. The President shall be obliged to call a special meeting within 30 days after receipt of a written petition for a special meeting signed by members entitled to cast at least 10% of the total vote of members, or upon the request of a majority of the members of the Board of Directors, which petition or request specifies the purpose of the special meeting.

- (c) **Notice of Meetings.** Written or printed notice stating the place, day and hour of any meeting of the Assembly shall be given to each member entitled to vote at such meeting not less than 10 nor more than 60 days before the date of such meeting. Notices of regular meetings of the Association, its Board of Directors, and committees, shall also be posted in the Association's official publication, if any, or conspicuously posted at the Association office, or in common areas of Greystone Creek. In the case of a special meeting or when otherwise required by law or these By-laws, the purpose(s) of the meeting shall be stated in the notice. No business may be conducted at a special meeting except as stated in the notice. Any member may waive notice of a meeting of the Association in writing, either before, during or after such meeting, and shall be deemed to have waived notice by attending the meeting unless the member specifically objects to lack of proper notice of the date, place or time of the meeting at the time the meeting is called to order, or specifically objects to lack of required notice of business to be transacted prior to such business being put to a vote.

- (d) **Conduct of Meetings.** The President shall preside over Association meetings; in his absence, the Vice President shall preside. Meetings shall be conducted according to the most current edition of *Robert's Rules of Order*.

- (e) **Quorum.** A quorum shall exist for the conduct of business at a meeting of the Association when members entitled to cast at least 50% of the total votes of members are represented in person or by proxy. A quorum shall exist for the conduct of business by written consent or ballot in lieu of a meeting if written consents or ballots are received from members entitled to cast at least 50% of the total votes on the matter as to which the vote is being taken. If a quorum is initially represented at any meeting of the Association, the departure of persons during the meeting leaving less than a quorum shall not prevent business from continuing, so long as any action taken is approved by at least a majority of the votes required to constitute a quorum.

ARTICLE 3 BOARD OF DIRECTORS

Section 3-101. Role of Board of Directors

The affairs of the Association shall be managed under the direction of the Board of Directors and all powers of the Association shall be exercised by or under the authority of the Board of Directors. The Board of Directors shall be aided by the officers of the Association, and such other committees as may be established pursuant to these By-Laws.

Section 3-102. Composition and Selection.

- (a) **Number and Eligibility.** The Board of Directors shall consist of not less than three (3) nor more than five (5) Directors. Directors shall be members or residents of Greystone Creek who are at least 18 years of age; provided, however, only one member or resident representing a particular homesite may serve on the Board of directors at any time. If a member is not a natural person, any officer, trustee, partner or trust officer of such member shall be eligible to serve as a Director unless otherwise specified by written notice to the Association by such member. No member may have more than one such representative on the Board of directors at a time, except in the case of Directors appointed by the Declarant, which may Directors need not be members. The initial Board of directors shall consist of three Directors, but may be increased to as many as five by subsequent decisions of the Association.
- (b) **Manner and Timing of Selection.**
- (i) Except as otherwise provided in this subsection (b), the Declarant shall have the sole and full authority to appoint, remove and replace the members of the Board of Directors until the earlier of:
- (A) the date as of which 75% of the total homesites in Greystone Creek have been conveyed to persons other than the Declarant;
- (B) 20 years after the date on which the Declaration is recorded in the Public Records, or;
- (C) when, in its direction, the Declarant so determines; such period being the "Declarant Control Period".
- (ii) Within 90 days after the "Declarant Control Period", the Board of Directors shall call for elections of three Directors to come from the membership, and which may or may not include the Declarant or his representatives. One Director shall serve a one year term, a second shall serve a two year term, and the third will have a three year term. Upon expiration of the term of office of each Director elected by the members, a new Director will be elected to serve a term of two years. Directors elected by the Members shall hold office until their respective successors have been elected. The Board of Directors should endeavor to space the election of Directors so that at all times a sitting Director is returning to the Board.
- (c) **Nominations and Declarations of Candidacy.** Prior to each election of Directors, the Board of Directors shall prescribe the opening date and the closing date of a reasonable filing period in which each eligible person who has an interest in serving as a Director may file as a candidate. The Board of Directors shall also establish such other rules and regulations as it deems appropriate to conduct nominations. Nominations may also be made by a Nominating committee, which, if is formed, shall consist of a chairman who shall be a member of the board of Directors and two other members, who shall be appointed by the board of Directors not less than 30 days prior to each annual meeting, and announced in the notice of each election. Nominations also may be made from the floor at any meeting at which an election is held. Each candidate shall be given a reasonable opportunity to communicate his or her qualifications to the Members prior to the election or casting of ballots.

(d) Election Procedures. Each member may cast one vote for each Board of Directors position to be filled for each home site that it owns in Greystone Creek. There shall be no cumulative voting for an individual candidate. Candidate(s) receiving the most numbers of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

(e) Removal of Directors and Vacancies. Any director elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such Director. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose, and an opportunity provided to defend is position before the members. Upon removal of a Director, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such Director. Any Director elected by the Members who has three consecutive unexcused absences from the Board of Directors meetings, or who is more than 30 days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and the Board of Directors may appoint a successor to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a Director, the Board of Directors may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members may elect a successor for the remainder of the term. This subsection shall not apply to Directors appointed by the Declarant nor to any Director serving as a representative of the Declarant. The Declarant shall be entitled to appoint a successor to fill any vacancy on the Board of Directors resulting from the death, disability or resignation of a Director appointed by the Declarant.

Section 3-103. Meetings.

- (a) Organizational Meeting.** The first meeting of the Board of Directors following each annual meeting of the Association shall be held within 10 days thereafter at such time and place as the Board of Directors shall fix.
- (b) Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as a majority of the Directors shall determine, but at least four such meetings shall be held during each fiscal year with at least one per quarter.
- (c) Special Meetings.** Special meetings of the Board of Directors shall be held when called by written notice signed by the President or Vice President or by any two Directors.
- (d) Notice; Waiver of Notice.** Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The notice shall be given to each Director by personal delivery, or first class mail, or telephone communication, or facsimile, electronic mail, or other electronic device with confirmation of transmission. Notices sent by first class mail shall be deposited into a U.S. mailbox at least five business days before the time set for the meeting. Notices by any other method shall be delivered or transmitted at least 72 hours before the time set for the meeting.
- (e) Telephonic Participation.** Members of the board of Directors or any committee may participate in a meeting of the Board of Directors or such committee, respectively, by conference call or similar communications

- equipment. Participation in a meeting by this means shall constitute presence in person at such meeting.
- (f) **Quorum.** At all Board of Directors meetings a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, even if a Director(s) depart during the meeting, so long as any action taken is approved by at least a majority of the required quorum for that meeting.
- (g) **Conduct of Meetings.** The President shall preside over all meetings of the Board, and the Secretary shall keep minutes of the meetings, recording all resolutions adopted and all transactions and proceedings occurring at such meetings. Except as otherwise provided below, all Board meetings will be open to all members, but attendees other than Directors may not participate in any discussion or deliberation unless a Director requests that they be granted permission to speak. The President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than Directors to discuss matters of a sensitive nature, such as pending or threatened litigation or personnel matters.
- (h) **Action Without a Formal Meeting.** Any action that may be taken at a meeting of the Directors may be taken without a meeting if written consent setting forth the action to be taken is signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

Section 3-104. Powers and Duties.

- (a) **General Authority.** The Board of Directors shall be responsible for conducting the affairs of the Association and shall be authorized to exercise all rights and powers of the Association and to do all acts and things on behalf of the Association except those which the Declaration of Covenants or South Carolina law specifically requires to be done or approved by the membership. The Board of Directors shall have all powers necessary for the administration of the Association's affairs.
- (b) **Duties.** Duties of the Board of Directors shall include, without limitation:
- (i) preparing and adopting, an annual budget establishing each members share of the Association's expenses;
 - (ii) levying and collecting assessments from members;
 - (iii) providing for the operation, care, maintenance and upkeep of Common Areas;
 - (iv) designating, hiring, and dismissing personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
 - (v) opening bank accounts on behalf of the Association and designating the signatories required;

- (vi) depositing all funds received in a bank depository, and using such funds to operate the Association, provided, any reserve funds may be deposited in other depositories if the Board of Directors in its business judgment, determines it appropriate;
- (vii) making and amending rules in accordance with the Declaration;
- (viii) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the Declaration and these By-Laws.
- (ix) enforcing by legal means the provisions of the Declaration of Covenants and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association;
- (x) obtaining and carrying property and liability insurance, as provided in the Declaration of Covenants, paying the cost thereof, and filing and adjusting claims, as appropriate;
- (xi) paying the costs of all services rendered to the Association;
- (xii) keeping books with detailed accounts of the Associations receipts and expenditures;
- (xiii) filing all tax returns of the Association;
- (xiv) making available to any prospective purchaser of a homesite, and any member, and any insurer or guarantor of any mortgage on any property, current copies of the Declaration of Covenants and these By-Laws and all other books, records and financial statements of the Association as required by these By-Laws;
- (xv) permitting utility suppliers to use portions of the Common Area as is reasonably necessary to the ongoing development or operation of Greystone Creek.

ARTICLE 4

OFFICERS

Section 4-101. Designation of Officers. Officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the Board of Directors; other officers may, but need not be members of the Board of Directors. The Board of Directors may appoint such other officers or assistant officers as it shall deem desirable, such officers to have such authority and perform such duties as the Board of Directors prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 4-102. Election and Term of Office. The Board of Directors shall elect the Association's officers at the first Board of Directors meeting following each annual meeting of the members, to serve until their successors are elected.

Section 4-103. Removal and Vacancies. The Board of Directors may remove any officer whenever in its judgment the best interests of the Association will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

Section 4-104. Powers and Duties of Officers. The Association officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board of Directors may specifically confer or impose upon them. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

ARTICLE 5 MANAGEMENT

Section 5-101. Committees. The Board of Directors may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of its enabling resolution.

Section 5-102. Management Agent. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making or decision-making authority or ultimate responsibility for those duties set forth in Section 3-104(b). Declarant, or any affiliate of Declarant may be employed as management agent or manager. The Board may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the manager, which may arise between Board of Directors meetings. The Association shall not be bound, either directly or indirectly, by any management contract executed during the Declarant Control Period unless such contract contains a right of termination upon not more than 90 days written notice exercisable by the Association, with or without cause and without penalty, at any time after termination of the Declarant Control Period.

Section 5-103. Compensation of Directors, Officers and Committee Members. Except as specifically authorized under the Declaration, Directors, officers and committee members shall not receive any compensation from the Association for acting as such unless approved by members representing a majority of a quorum of the eligible votes represented at a regular or special meeting of the Association. Any officer or Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the Directors other than the Director requesting the reimbursement. Nothing herein shall prohibit the Association from compensating an officer or Director, or any entity with which an officer or Director is affiliated for services or supplies furnished to the Association in a capacity other than as an officer or Director pursuant to a contract or agreement with the Association, provided that such officer's or Director's interest was made known to the Board of Directors prior to entering into such contract and such contract was approved by a majority of the board of Directors, excluding the interested Director.

Section 5-104. Right of Declarant to Disapprove Actions. So long as the Declarant Membership exists, the Declarant shall have a right to disapprove any action, policy or program of the Association, the Board of Directors and any committee which, in the sole judgment of the Declarant, would tend to impair rights of Declarant under the Declaration or these By-Laws, or would interfere with the development or construction of any portion of Greystone Creek, or diminish the level of services being provided by the

Association. The Declarant shall be given written notice of all meetings and proposed action approved at meetings of the Association, Board of Directors or any committee, such notice to comply with the notice requirements otherwise set forth in these By-Laws for meetings of the Association or Board of Directors. The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program that would be subject to the right of disapproval set forth herein. The Declarant shall make its thoughts and suggestion known to the Board of Directors and/or members of the subject committee, and may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time with 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, the Board of Directors, or the Association. The Declarant shall not use its right to disapprove to reduce the level of services that the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws.

Section 5-105. Authority to Execute Contracts, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed, or approved by voucher by at least two officers or by such other person or persons as the Board of Trustees may authorize by resolution.

Section 5-106. Right to Contract. The Association shall have the right to contract with any person or entity for the performance of various duties and function. This right shall include, without limitation, the right to enter in common management, operational, or other agreements with trusts, condominiums, cooperatives, and owners, residents, merchants, or tenant associations, within and outside Village Walk and contiguous properties. Any common management agreement shall require the consent of a majority of the Board of Directors.

ARTICLE 6

ACCOUNTING AND FINANCIAL MATTERS

Section 6-101. Fiscal Year. The Association' fiscal year shall be the calendar year unless the board of Directors establishes a different fiscal year by resolutions.

Section 6-102. Accounting. The following accounting standards shall be followed unless the Board of Directors by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by any individual from vendors, independent contractors, or other s providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

- (e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors.

Section 6-103. Financial Reports.

- (a) **Annual Report.** An annual report consisting of at least the following shall be made available to all members within 120 days after the close of the fiscal year. Balance sheet, operating (income) statement, and statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board of Directors determines, by an independent public accountant; provided upon written request on any institutional lender with a first mortgage on a homesite, the Association shall provide an audited financial statement.

Section 6-104. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the Association's budgeted gross expenses for that fiscal year, such borrowing shall require approval of Members representing a majority of a quorum of the total eligible votes of Members. During the Declarant Control Period, no mortgage shall be placed on any portion of the Common Area without the approval of Members representing a majority of a quorum of the total eligible votes of Members.

ARTICLE 7

ENFORCEMENT

Section 7-101. Notice and Hearing Procedures. The Association shall have the power, as provided in the Declaration of Covenants, to impose sanctions for any violation of the Declaration of Covenants. To the extent specifically required by the Declaration, the Board of Directors shall comply with the following procedures prior to imposition of sanctions:

- (a) **Notice.** The Board of Directors or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing before the Board, (iv) a statement that the proposed sanction shall be imposed shall be imposed as contained in the notice unless a hearing is requested within 10 days of the notice. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the Board's meetings.
- (b) **Hearing.** If a hearing is requested within the allotted 10-day period, the hearing shall be held before the Board of Directors. The alleged violator shall be afforded a reasonable opportunity to be heard and to present evidence and witnesses on his own behalf. Within 5 days after the hearing, the Board of Directors shall notify the alleged violator of its findings and the sanction, if any, to be imposed. A copy of such

notification shall be filed in the minutes of the Board of Directors. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 10-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person. All decisions of the Board of Directors will be final.

ARTICLE 8 MISCELLANEOUS

Section 8-101. Conflicts. If there are conflicts among the provisions of South Carolina law, the Articles of Incorporation, the Declaration and these By-Laws, the provision of South Carolina law, the Articles of Incorporation, the Declaration of Covenants, and the By-Laws shall prevail in that order.

Section 8-102. Books and Records.

- (a) Inspection by Members and Mortgagees. The Board of Directors shall make available for inspection and copying by any Institutional Lender with a first Mortgage on a Home site, any member, or the duly appointed representative of any of the foregoing, at any reasonable time and for a purpose reasonably related to his or her interest in a homesite: the Declaration of Covenants, the membership register, books of account, and the minutes of meetings of the Members, the Board of Directors, and committees. The Board of Directors shall provide for such inspection to take place at the Association's office or at such other place within Village Walk as the Board of Directors shall designate. The Board of Directors shall establish rules with respect to:
- (i) notice to be given to the custodian of the records;
 - (ii) hours and days of the week when such an inspection may be made; and
 - (iii) payment of the cost of reproducing documents requested.
- (a) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make a copy of relevant documents at the Association's expense.

Section 8-103. Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills statements, or other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. mail, first class postage prepaid. If to a member, at the address which the member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the home or townhome of the member. If to the Association, the board of Directors, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the members pursuant to this section. If to any committee, at the principal address of the Association or at such other address as shall be designated by notice in writing to the members pursuant to this section.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Greystone Creek Homeowners Association, Inc. a South Carolina Corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors on the ____ day of September, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this ____ day of September, 2006.

(SEAL)

Secretary