

BY-LAWS  
OF  
KELLER'S POND HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME, LOCATION AND MEMBERSHIP

Section 1. Name. The name of the association is Keller's Pond Homeowners Association, Inc. (the "Association").

Section 2. Location. The principal office of the Association shall be located at the offices of Old Woodlands Development Corporation, 2222 Devine Street, Columbia, South Carolina, 29205, but meetings of the Board of Directors may be held at such places designated by the Board in accordance with the provisions of these By-Laws.

Section 3. Membership. Each and every record owner of a Lot [as defined in the Declaration of Covenants, Conditions, Restrictions and Easements for Keller's Pond Subdivision, Phase I, recorded in the Office of the Register of Deeds for Lexington County, South Carolina in Record Book 5386, at page 158, as the same may have been amended or supplemented (collectively the "Declaration")] shall be a Member of the Association, excluding persons who hold such interest under a mortgage. Membership in the Association shall be confined to such Owners and shall be appurtenant to and inseparable from Lot ownership. Such Owner (which term shall include co-Owner) of each Lot shall designate, in writing delivered to the Secretary, one Member from among such Owner of such Lot, or a member of the immediate family of such Owner, and such Member shall represent the Owner of such Lot in connection with the activities of the Association and exercise the voting rights thereof. Such designation shall be valid until revoked, in writing delivered to the Secretary, or until such Owner sells his Lot whichever event shall first occur.

Section 4. Suspension of Membership and Voting Rights. During any period in which an Owner of a Lot shall be in default of the payment of any annual or special Assessment levied by the Association, the voting rights of the Member designated by such Owner and the rights of such Owner, the members of their family or families, and the tenants who reside on such Owner's Lot to use and enjoy the Common Areas, may also be suspended by the Board of Directors until such time as the Assessment has been paid. Such rights may also be suspended by the Board of Directors for the violation of the published rules and regulations with respect to the use of the Common Areas as published from time to time by the Board of Directors. Such rules shall be kept in the Office of the Association as a matter of record, and copies thereof shall be furnished to any Lot Owner on request.

Section 5. Applicability. These By-Laws are binding on all Lot Owners, their families, tenants and guests, and any other person residing in or occupying any improvements on said Lot (the "Improvements"). Each and every person who accepts a deed to, a lease of, or who occupies any Improvement on a Lot thereby consents to be bound by the provisions of these By-Laws.

Section 6. Expandable Subdivision. These By-Laws take express cognizance that Keller's Pond Subdivision is an expandable subdivision, as more fully defined and discussed in the Declaration, and, that in connection therewith, should the present subdivision be expanded by annexing additional property to the subdivision then in that event Owners of Lots in any such future phases would automatically become Members of the Association.

## ARTICLE II

### DEFINITIONS

Section 1. Definitions. The terms used in these By-Laws, unless the context requires otherwise or unless otherwise specified herein, shall have the same meaning as in the recorded Declaration.

Section 2. Old Woodlands Development Corporation shall include its successors and assigns.

## ARTICLE III

### PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Delegation of Property Rights. Each Member of the Association shall be entitled to the use and enjoyment of the Common Areas as provided in the Declaration. Any Member may assign his rights of enjoyment and use of the Common Areas to the members of his immediate family, to his guests, or to his tenants who reside in the Improvements on his Lot. Such Member shall notify the Secretary of the Association in writing of the name or names of any such assignees. The rights and privileges of such assignees are subject to suspension to the same extent as those of the Member.

## ARTICLE IV

### MEETINGS OF MEMBERS

Section 1. Place of Meeting. Meetings of the Association shall be held at the Offices of Old Woodlands Development Corporation in or near Columbia, South Carolina, or at such suitable place convenient to the Members.

Section 2. Annual Meeting. The annual meeting of Members to be held on October 14, 2003 shall be the first annual meeting of Members, at which time directors, other than Wayne T. Smith, shall be elected to the Board of Directors and officers shall be elected. This meeting shall be held at 7:00 o'clock p.m at 104 Lassitter Court, Lexington, South Carolina and shall be hereinafter referred to as the "2003 Meeting". Thereafter, regular annual meetings shall be held on the first \_\_\_\_\_ in January of each calendar year at a time of the director's choosing and at a place to be stated in or near the Town of Lexington, South Carolina, unless otherwise provided by the Members at any previous meeting. If the date of the annual meeting shall fall on a legal holiday, the meeting shall be held at the same hour on the next following business day.

Section 3. Special Meetings. Special meetings of the Association may be called at any time by the President, by resolution of the Board of Directors, or upon the receipt by the Secretary of a petition signed by Members holding greater than forty (40%) percent of the total vote of the Association. The call of a special meeting shall be by notice stating the date, time, place, purpose and order of business of such special meeting. Only the business stated in the notice may be transacted at a special meeting.

Section 4. Notice of Meetings. The Secretary shall mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member at the last address of such Member furnished to the Secretary at least ten (10) but not more than twenty (20) days prior to such meeting. Mailing notice as herein provided shall be deemed delivery thereof. Any Member may waive notice of the meeting in writing either before or after the meeting. Attendance of a Member at a meeting, either in person or by proxy, except for the purpose of stating, at the beginning of the meeting, any objection to the transaction of business, shall constitute waiver of notice and any objection of any nature whatsoever as to the transaction of any business at such meeting. Notice given to one tenant in common, joint tenant or tenant by the entirety shall be deemed notice to all such owners.

Section 5. Order of Business. The order of business at each annual meeting shall be as follows:

- a. Roll call or sign in sheet
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Reports of officers.
- e. Reports of committees, if any.
- f. Election of directors, if applicable.
- g. Unfinished business.
- h. New business.

Section 6. Quorum. At all meetings, regular or special, a quorum shall consist of the presence in person or by proxy, of Members holding greater than fifty (50%) percent of the total vote of the Association. If a quorum shall not be present at any meeting, a majority vote of that percentage present, in person or by proxy, may adjourn the meeting from time to time until a quorum can be obtained. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 7. Voting Rights. Voting rights in the Association shall be as set out in Article III of the Declaration.

Section 8. Proxy. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the designated time of each meeting.

Section 9. Majority Vote. Acts authorized, approved or ratified by the casting of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be the acts of the Association, except where a higher percentage vote is required by the Declaration, these By-Laws or by law, and shall be binding for all purposes.

Section 10. Actions Without Meeting. Any action which may be taken at a meeting of the membership may be taken without a meeting if a consent or ratification, in writing, setting forth the action so taken or to be taken shall be signed by persons who would be entitled to cast seventy-five (75%) percent of the votes of membership of the Association at a meeting and such consent is filed with the Secretary of the Association and is inserted in the Minute Book thereof.

## ARTICLE V

### BOARD OF DIRECTORS, NUMBER, POWERS, MEETINGS

Section 1. Number. The business and affairs of the Association shall be governed by a Board of Directors (herein sometimes referred to as the "Board"), all of whom, shall be Owners of the Lots at all times during their term as directors. The initial Board shall consist of Wayne T. Smith, who shall serve as the sole director until control is turned over to the other third party Owners of the Association, which is agreed shall occur at the 2003 Meeting. From and after the 2003 meeting, there shall be five (5) directors. Each director shall be at least twenty-five (25) years of age and any qualified director may be re-elected. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified.



Notwithstanding the above, it is agreed Wayne T. Smith, President and sole shareholder of the Declarant, has unique knowledge of the Association and shall be qualified to serve as a director, so long as properly elected, regardless of whether he is an Owner at the time of such service.

Section 2. Powers and Duties. The Board of Directors shall manage and direct the affairs of the Association and, subject to any restrictions imposed by law, by the Declaration, or these By-Laws, may exercise all the powers of the Association. The Board of Directors shall exercise such duties and responsibility as shall be incumbent upon it by law, the Declaration, or these By-Laws as it may deem necessary or appropriate in the exercise of its powers, including, without limitation, the collection of assessments and charges from the Owners, the establishment and amendment from time to time of reasonable regulations governing the use of the Common Areas, and the employment and dismissal of personnel necessary for the maintenance and operation of the Common Areas. Additionally, the Board of Directors may require that all employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association.

Section 3. Management. The Board of Directors may employ for the Association a managing agent under such terms and conditions as the Board deems prudent.

Section 4. Election and Term of Office. At the 2003 Meeting of the Association, the Members thereof shall elect two (2) directors for an initial term of twenty-seven (27) months, and three (3) directors for an initial term of fifteen (15) months. Of the five (5) directors elected at the 2003 Meeting, the two (2) that receive the highest number of votes shall serve an initial term of twenty-seven (27) months each, and the other three (3) elected shall serve initial terms of fifteen (15) months each. At the expiration of the initial term of each respective director, his successor shall be elected for a term of two (2) years. Cumulative voting is not permitted.

Section 5. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association. Vacancies caused by removal shall be filled by vote of the Association at the same meeting at which a director or directors were removed.

Section 6. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a vote of eighty

(80%) percent of the total percentage interests authorized to vote thereon, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by any Owner shall be given an opportunity to be heard at such meeting. Except as otherwise provided herein, sale of his Lot by a director shall automatically terminate his directorship.

Section 7. Regular Meeting. The first regular meeting of the Board of Directors shall be held immediately following the 2003 Meeting of the Members of the Association and regular meetings thereafter shall be held on such dates and at such place and hour, but not less frequently than bi-annually, as may be fixed from time to time by resolution of the Board. Notice of regular meetings of the Board shall be given to each director, personally or by mail, telephone or electronic mail (e-mail), at least three (3) days prior to the day of such meeting; provided, however, notice of the first regular meeting shall not be required to be given to the directors provided that a majority of the entire Board is present at such meeting. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director, given personally or by mail, telephone or electronic mail (e-mail), which notice shall state the date, time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of at least two (2) directors.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the date, time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum. At all meetings of the Board of Directors, a majority of the then qualified directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Compensation. No director shall receive compensation for any service he may render to the Association nor shall the Association make any loan, directly or indirectly, to a director; provided, however, a director may be reimbursed for the expenses incurred by him in the performance of his duties.

Section 12. Action by Board Without A Meeting. The Board of Directors shall have the right to take any action which it could take at a meeting by obtaining the written approval of all directors thereto, which shall be kept in the minute books of the Association. Any action so approved shall have the same effect as though taken at a meeting of the Board.

Section 13. Liability of Directors. To the extent not expressly forbidden by South Carolina Statutory Law, no director shall be liable to any Owner for injury or damage caused by such director in the performance of his duties unless due to the willful misfeasance or malfeasance of such director. Furthermore, each director shall be indemnified by the Association against all liabilities and expenses, including attorney's fees, reasonably incurred and imposed upon him in connection with any proceeding to which he may be a party or in which he becomes involved by reason of his being or having been a director of the Association, whether or not he is a director of the Association at the times such expenses and liabilities are incurred, except in such cases where the director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, however, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association.

## ARTICLE VI

### OFFICERS

Section 1. Number and Election. There shall be elected annually by and from the Board of Directors a President (who shall also be Chairman of the Board), a Secretary and a Treasurer. The office of Secretary and Treasurer may be filled by the same person. The directors may also elect from time to time such other officers as their judgment may be needed, which officers need not be directors.

Section 2. Removal and Vacancies. Except as herein provided to the contrary, the officers shall be elected annually and hold office at the pleasure of the Board. A vacancy in any office may be filled by the Board at its next meeting. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 3. Duties. The duties of the officers shall be as follows:

- (a) President. The President shall be the chief executive officer and shall preside at all meetings of the Board of Directors and the Association, shall see that orders and resolutions of the Board are carried out, shall appoint committees consisting of Members of the Association as in his opinion is necessary, shall co-sign with the Treasurer all checks, promissory notes, and similar documents, if any, and shall perform such other duties as may be delegated to him by the Board. He shall have all the general powers and duties which are incident to the office of President of a corporation.
- (b) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Association; keep appropriate current records, showing the Members of the Association together with their addresses and designating those Members entitled to vote; keep custody of and attest the seal of the Association; and perform such other duties as may be required of him by the Board or incident to the office of Secretary of a corporation.
- (c) Treasurer. The Treasurer shall be responsible for the funds of the Association, shall co-sign with the President all checks, promissory notes and similar documents, shall maintain full and accurate fiscal accounts and records, and shall perform such other duties as may be designated by the Board of Directors or incident to the office of Treasurer of a corporation.

Section 4. Compensation. Officers shall not be compensated on a regular basis for the usual and ordinary services rendered to the Association incident to their offices, nor shall the Association make loans, directly or indirectly, to any officer of the Association. The officers may be reimbursed for reasonable expenses incurred on behalf of the Association.

Section 5. Liability of Officers. To the extent not expressly forbidden by South Carolina Statutory Law, no officer shall be liable to any Owner for injury or damage caused by such officer in the performance of his duties unless due to the willful misfeasance or malfeasance of such officer. Furthermore, each officer shall be indemnified by the Association against all liabilities and expenses, including attorney's fees, reasonably incurred and imposed upon him in connection with any proceeding to which he may be a party or in which he becomes involved by reason of his being or having been an officer of the Association, whether or not he is an officer of the Association at the times such expenses and liabilities are incurred, except in such cases where the officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, however, that in



the event of a settlement the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association.

## ARTICLE VII

### OBLIGATIONS OF THE OWNERS

Section 1. Agreements. All Owners are obligated to pay monthly assessments imposed by the Association as provided in the Declaration to meet Common Area expenses, which may include the expense of liability insurance coverage and/or hazard insurance coverage for repair and reconstruction. An Owner is required to reimburse the Association for any expense incurred by it in repairing or replacing Common Areas damaged by such Owner.

Section 2. Maintenance and Repair. All maintenance, repairs and replacements to the Common Areas, unless necessitated by the negligence, misuse, or neglect of the an Owner (or his family member, guest, visitor, invitee, or tenant), in which case the cost shall be borne by the Owner of such Lot, shall be made by the Association or at its direction and shall be charged to the Members thereof as a Common Area Expense.

Section 3. Conduct. All Owners, their families, guests, visitors and tenants, and each and every occupant of Improvement on each Lot shall at all times observe the published rules of conduct for the use of the Common Areas which may be established from time to time by the Association or its Board of Directors.

Section 4. Notices. An Owner who mortgages his Lot and/or Improvements or executes and delivers a mortgage or other security instrument which may become a lien on his Lot, shall notify the President or the Board of Directors of the name and address of his mortgagee, or the holder of such mortgage or security instrument, and thereby authorize the Association to furnish such information as such mortgagees may request respecting unpaid assessments, or other reasonable information concerning such Lot.

## ARTICLE VIII

### BOOKS AND RECORDS

Section 1. Inspection. The books, records and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Member at the principal office of the Association. The Declaration and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased for a reasonable price.

ARTICLE IX

ASSOCIATION SEAL

Section 1. Description. The Association shall have a seal in circular form having within its circumference the words: "Keller's Pond Homeowners Association, Inc.".

ARTICLE X

AMENDMENTS

Section 1. By-Laws. These By-Laws may be amended by a vote of not less than seventy-five percent (75%) of the total vote of the Association at a duly constituted meeting of such purpose, or by written agreement of 75% of the Association Members, in strict accordance with the recorded Declaration to which they are attached. Said amendments shall be set forth in an amended Declaration and duly recorded. Each and every Owner of a Lot by accepting a deed therefor thereby agrees to be bound by and benefit from any such amendment hereto.

Section 2. Declaration. The Declaration shall be amended only as set out in the Declaration.

Section 3. Conflicts. In the event of any conflict between the provisions of the Declaration and the provisions of these By-Laws, the provisions of the Declaration shall control.

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C E R T I F I C A T I O N

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Keller's Pond Homeowners Association, Inc., a South Carolina Corporation chartered as Non-profit, and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 21 day of October, 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 21 day of Oct., 2003.

  
\_\_\_\_\_, Secretary