

18

Apr. 1995

AMENDED BY-LAWS

OF

ROSEHILL HOMEOWNERS ASSOCIATION, INC.

ARTICLE I.

NAME AND LOCATION

Section 1. The name of the corporation is ROSEHILL HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Post Office Box 605, 815 Creekside Drive, Clemson, South Carolina 29631, Attention Paul Scott Newton, but meetings of the members and directors may be held at such places within the State of South Carolina, County of Pickens, as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

Section 1. "Association" shall mean and refer to ROSEHILL HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that real certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons

or entities, of the fee simple title to any lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to the RPN ASSOCIATES, A Limited South Carolina Partnership, and its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Clerk of Court's Office for Pickens County, South Carolina. The terms and conditions of said Declaration are incorporated herein by reference thereto.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and in Article IV of these By-Laws.

ARTICLE III.

PURPOSE AND POWERS OF THE ASSOCIATION

Section 1. This association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence lots and common area within that certain tract of property in Pickens County, S.C., being known and designated as Rosehill Subdivision, Phase I, as shown on Plat of said property being recorded in the Office of the Clerk of Court for Pickens County, South Carolina in Plat Book 28 at Page 356, reference to which is hereby craved. In addition, the following property is also included: (a) Easements, rights and obligations in a private road running from the property to a public street known as U. S.

Highway 76.

(b) Rights and duties in and to additional properties as may be acquired by annexation or

assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Association's published rules and regulation.

ARTICLE V.

VOTING RIGHTS

Section 1. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all owners, with the exception of Declarant, and shall be entitled to one (1) vote for each lot owned. ;4hen more than one (1) person holds an interest in any lot, all such persons shall be members. The vote for such lots shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration) and shall be entitled to three (3) votes for each lot owned. The Class F3 membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership (subject to reinstatement by annexation of additional property); or

(b) on July 1, 1988.

ARTICLE VI.

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at

the hour of 7:00 P.M. or some other suitable hour, unless a majority of the members vote to change the date of subsequent regular annual membership meetings. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the discretion of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than fifteen (15) days nor more than forty-five (45) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such members 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. A waiver by a member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. At a membership meeting, the presence of members or of proxies entitled to cast sixty (60%) percent of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3rds) of

the membership are not present in person or by proxy (if there is a vote requiring a two-thirds (2/3rds) majority) members not present may give their written assent to the actions taken thereat.

Section 5. Proxies. At all meetings of the members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary by the time of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE VII

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. Until the first annual meeting is held, the initial Board of Directors shall be Dee A. Smith, William E. Smith and Mary M. Black. Association may increase the Board up to seven (7) members by a majority vote. If the number of Board members is increased, other applicable By-Laws shall be amended to be consistent therewith.

Section 2. Terms of Office. At the first annual meeting the members shall elect one (1) Director for a term of one (1) year, one (1) Director, for a term of two (2) years, and one director for a term of three (3) years. At each annual meeting thereafter, the members shall elect a Director for a term of three (3) years.

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 A director may receive compensation for service he may render to the association if that service would normally be paid for by the corporation and approved of by the

other directors. The service would be, for example, swimming pool or property maintenance, managerial services, etc. A director may also be reimbursed for his actual expenses incurred in the performance of his 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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VIII.

NOMINATION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or nonmember.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE IX.

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said 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, provided, however, if the Board shall agree to meet on such legal holiday, any action taken by it shall be valid and binding.

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 one (1) of the Directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act done or decision 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, X.

POWER AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to

exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(f) employ attorneys to represent the Association when deemed necessary.

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to 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 one-fourth (1/4th) of the Class A members, who are entitled to vote;

(b) 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 Declaration, to:

(1) fix the amount of the annual assessment against each lot subject to assessment at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid

within thirty (30) days after a due date or to bring an action at law against the owner personally obligated to pay the Same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees and to procure and maintain adequate hazard insurance on the real and personal property owned by the Association; (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained; and

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→ (h) subject to the terms of the Declaration, cause the exterior of the dwellings to be maintained.

ARTICLE XI.

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. The Directors shall also elect a secretary and treasurer, who may be the same person. The secretary-treasurer shall not be required to be a member of the Board of Directors.

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. The initial officers may be appointed by the initial Directors for the term prior to the first annual meeting.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

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

President

(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 leases, mortgages, deeds and other written instruments and shall consign all checks and promissory notes.

Vice-President

(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.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings 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 required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as Directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XII.

INDEMNIFICATIONS

Section 1. The Association shall indemnify any Director or Officer or former Director or Officer of the Association against expenses actually and necessarily incurred by him in connection with the defense of any action, suit, or proceeding in which he is made a party by reason of being or

having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty.

ARTICLE XIII.

COMMITTEES

Section 1. The Board of Directors shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XIV.

BOOKS AND RECORDS.

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

ARTICLE XV.

ASSESSMENTS

Section 1. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments for each lot subject to assessment which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be considered delinquent. If the assessment is not paid

within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen per cent (18%) per annum unless the Board of Directors vote to reduce said interest rate, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the Property, and interest, cost, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his lot.

ARTICLE XVI.

LIABILITIES

Section 1. The highest amount of indebtedness or liability, direct or contingent, to which this Association may be subject at any one (1) time shall not exceed \$150,000.00 while there is a Class B membership and thereafter shall not exceed one hundred fifty (150%) percent of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of two-thirds (2/3rds) of the membership.

ARTICLE XVII.

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. The Association may, at any time annex additional residential properties and common areas to the properties described in Article III and so add to its membership under the provisions of Article IV, provided that any such annexation shall have the assent of two-thirds (2/3rds) of the entire Class A membership and two-thirds (2/3rds) of the entire Class B membership, if any, except as provided in the Declaration.

ARTICLE XVIII.

MERGERS AND CONSOLIDATIONS

Section 1. To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3rds) of the entire Class A membership and two-thirds (2/3rds) of the entire Class B membership, if any.

ARTICLE XIX.

AUTHORITY TO MORTGAGE

Section 1. Any mortgage by the Association of the Common Area defined in the Declaration shall have the assent of two-thirds (2/3rd s) of the entire membership.

ARTICLE XX.

AUTHORITY TO DEDICATE

Section 1. The Association shall have power to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No dedication or transfer shall be effective unless an instrument has been signed by members entitled to cast two-thirds (2/3rds) of the votes of the entire Class A membership and two-thirds (2/3rds) of the entire Class B membership, if any, agreeing to such dedication, sale or transfer.

ARTICLE, XXI.

DISSOLUTION

Section 1. The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3rds) of each class of members. Upon dissolution of the Association,

other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XXII.

DURATION

Section 1. The corporation shall exist perpetually.

ARTICLE XXIII.

RIGHTS OF FIRST MORTGAGEES

Section 1. Notification of Default by Mortgagor. The holder of any Mortgage or Deed of Trust, under which the interest of any owner is encumbered and which Mortgage or Deed of Trust has first and paramount priority subject only to the lien of general or ad valorem taxes and assessments (First Mortgagees), on any lot shall be entitled, upon written request to the Association, to written notification by the Association of any default by the Mortgagor of such lots in the performance of such Mortgagor's obligations under these Articles when such default is not cured within thirty (30) days from its occurrence.

Section 2. Assent of First Mortgagees to Certain Actions by the Association. The following actions or non-actions by the Association shall require the assent in writing of at least seventy-five (75%) percent of the First Mortgagees (based upon one (1) vote for each first lien deed of trust) which assent shall not be arbitrarily withheld:

- (a) Abandonment, partition, subdivision, encumbrance, sale or transfer of real estate or
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improvements thereon, which is owned by the Association for the benefit of the lots. Provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Association shall not be deemed a transfer within the meaning of this subparagraph.

(b) Alternation or amendment of the method of determining the obligations, assessments, dues or other charges which may be levied against an owner.

(c) Waiver or abandonment or any scheme of regulations or enforcement thereof, pertaining to the architectural design of the exterior appearance of any building, fence, wall or other structure upon the properties, the exterior maintenance of lots, the maintenance of party walls or common fences and driveways within the Properties, or the upkeep in lawns and plantings within the Properties.

(d) Use of hazard insurance proceeds for losses to improvements located on Association property for other than the repair, replacement or reconstruction of such improvements.

In the event a First Mortgagee fails to respond to a written request for assent within thirty (30) days after such request has been submitted to it by the Association, written assent will not be required by said First Mortgagee and said First Mortgagee shall be deemed to have given its assent in compliance with this Section.

Section 3. Taxes and Insurance. Any First Mortgagee of a lot acting alone or with other First Mortgagees may pay taxes or other charges which are in default and which may or have become a charge against any property owned by the Association and may pay overdue premiums on hazard insurance policies on property owned by the Association or secure renewal of such hazard insurance coverage upon the lapse of a policy for such property, and First Mortgagees making such payments

shall be entitled to immediate reimbursement therefor from the Association.

ARTICLE, XXIV.

FHA/VA APPROVAL

Section 1. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veteran's Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XXV.

CORPORATE SEAL

Section 1. The Association shall have a seal in circular form having within its circumference the words:

ROSEHILL HOMEOWNERS ASSOCIATION, INC.

PICKENS COUNTY, SOUTH CAROLINA.

ARTICLE XXVI.

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XXVII.

MISCELLANEOUS

Section 1. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of ROSEHILL HOMEOWNERS ASSOCIATION, INC. , a South Carolina corporation, and

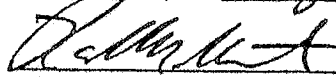
THAT the foregoing By-Laws constitute the original By-Laws of said Association as the duly adopted at a meeting of the Board of Directors thereof, held on the 20 day of February , 1989


SECRETARY

Personally appeared before me PAUL S. NEWTON who first being duly sworn, states that he is secretary of ROSEHILL HOMEOWNERS ASSOCIATION, INC., and that the above constitutes the true and correct By-Laws of the Association.


SECRETARY

SWORN to before me this 22 day of aug , 1995.


(SEAL)
Notary Public for South Carolina

My Commission Expires: 2/27/96