

Exhibit B

**BY-LAWS
OF
LISMORE VILLAGE HOMEOWNERS' ASSOCIATION, INC.**

**Article I
Name and Location**

1. **Name.** The name of the corporation is Lismore Village Home Owners' Association, Inc., hereinafter referred to as the "Association."

2. **Location.** The principal office of the corporation shall be located in Greenville County, South Carolina. The registered office of the Association may be, but need not be, the same as the principal office.

**Article II
Definitions**

Unless otherwise provided in these By-Laws, all capitalized terms used herein shall have the same definitions as provided in the Declaration. In addition, the following terms shall have the following meanings for purpose of these By-Laws.

1. **"Association"** shall mean and refer to Lismore Village Home Owners' Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

2. **"Common Area"** shall mean all real property (including improvements and fixtures attached thereto) and other real, personal or mixed property owned by the Association for the common use and enjoyment of the Members. Common Area includes, but is not limited to, any areas labeled as "Common Area" and landscape easement on the Plats of Lismore Village Subdivision recorded from time to time in the Office of the Register of Deeds for Greenville County, South Carolina, together with sewer and drainage easements and appurtenances as shown on that certain plat recorded in Plat Book 1024 at Pages 31 in the Office of the Register of Deeds for Greenville County, South Carolina.

3. **"Declarant"** shall mean and refer to Lismore Townes, LLC, a South Carolina limited liability company, and shall also mean and refer to any person, firm or corporation which shall also be designated as a "Declarant" by Lismore Townes, LLC hereafter when such designee becomes vested with title to two (2) or more undeveloped Lots for the purpose of causing residential dwellings to be constructed thereon, and any such successor in title Lismore Townes, LLC shall be a Declarant during such period of time as said party is vested with title to two or more such lots (whether undeveloped or developed and un conveyed), but no longer.

4. **"Declaration"** shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Easements for Lismore Village which are applicable to the properties described

herein and which is recorded in the Office of the Register of Deeds for Greenville County, South Carolina in Deed Book ____ at Page ____.

5. **"Development"** shall mean and refer to Lismore Village, a single-family attached townhouse residential development proposed to be developed by Declarant on one or more of the Properties.

6. **"Lot"** shall mean and refer to any numbered lot of land, with delineated boundary lines, as shown on the Plats, intended for single-family attached townhouse residential use, but expressly excluding Common Areas, roads and streets in the Development.

7. **"Member"** shall mean and refer to every person or entity who holds membership in the Association.

8. **"Mortgage"** shall mean any mortgage constituting a first lien on a Lot.

9. **"Mortgagee"** shall mean the owner and holder of a Mortgage.

10. **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including the Declarant, if it owns any Lots.

11. **"Plats"** shall mean and refer to the survey of Phase I of the Development as recorded in the Office of the Register of Deeds for Greenville County, South Carolina, in Plat Book 1024 at Pages 31, and any Plat of Additional Properties, as defined in the Declaration (if all or any part of said Additional Properties are annexed pursuant to Article II of the Declaration) which may be recorded by Declarant in the Office of the Register of Deeds hereafter.

12. **"Properties"** shall mean and refer to the Phase I Property as described in Article II, Section 1 of the Declaration as well as any additional real estate which may hereafter be made subject to the Declaration and brought within the jurisdiction of the Association, as provided for in Article II, Section 2 of the Declaration.

Article III Association Members

1. **Annual Meeting of Members.** The annual meeting of the members shall be held at the principal office of the Association, or such other location within Greenville County, South Carolina as designated by the Board of Directors, at a date and time to be set by the Board of Directors during the third or fourth week of October of each year (with the first annual meeting to occur on January 1, 2008, for the purpose of election of the Board of Directors and for the transaction of such other business as may be brought before the meeting. If the day set for the annual meeting is a legal holiday, such meeting shall be held on the next succeeding business day.

2. **Substitute Annual Meeting.** If the annual meeting is not held on the day designated in these By-Laws, a substitute annual meeting, may be called in accordance with the

provisions of Article III, Section 3 as in the case of special meetings. A meeting so called shall be designated and treated for all purposes as the annual meeting.

3. **Special Meetings of Members.** Special meetings of the Members may be held at the principal office of the Association, or elsewhere within Greenville County, South Carolina, whenever called in writing as provided in Article III, Section 4, by the President, by any member of the Board of Directors of the Association, or by Members representing twenty percent (20%) of the membership entitled to vote.

4. **Notice of Meeting.** Notices of meetings shall be in writing, shall state the date, time and place of meeting, and shall be mailed or delivered by the Secretary to each Member of record at the member's last known address. The notice of each meeting shall be mailed or delivered by the Secretary not less than twenty (20) days nor more than forty (40) days prior to the date set for such meeting and as to special meetings, the notice shall indicate the purpose or purposes of such special meeting.

5. **Quorum.** Unless otherwise specified in the Declaration, at any meeting of the Members, twenty percent (20%) of the Members entitled to vote, present in person or represented by proxy, shall constitute a quorum of the membership for all purposes. If a quorum is not present, the meeting may be recessed by the presiding officer at the time such meeting was set and such shall be sufficient notice of the time and place of the recessed meeting. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

6. **Organization.** The President, or, in his or her absence, the Vice President, shall preside over all meetings of Members and the Secretary of the Association shall act as Secretary at all meetings of the Members; provided, however, in the Secretary's absence, the President may appoint a Secretary for the meeting of the Members.

7. **Voting.** The voting rights of the Members of the Association shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights:

(a) **Class A Lots.** Class A Lots shall be all Lots except Class B Lots (as this term is defined below). Each Class A Lot shall entitled the Owner(s) of said Lot to one (1) vote. When more than one person or legal entity owns an interest (other than leasehold or security interest) in any Lot, all such persons or legal entities shall be Members and the voting rights appurtenant to said Lot shall be exercised as they amount themselves determine, but in no event shall more than one (1) vote be cast with respect to any Class A Lot.

(b) **Class B Lots.** Class B Lots shall be all Lots owned by the Declarant that have not been conveyed to purchasers who are not affiliated with Declarant. The Declarant shall be entitled to three (3) votes for each Class B Lot owned by it. The Class B lots shall be converted to Class A Lots upon the earlier of the following: (i) the date on which ninety percent (90%) of the Lots are deeded to homeowners or (ii) January 1, 2014.

The majority of votes cast at a duly called meeting of Members at which a quorum is present at the beginning of the meeting shall be the act of the Members on that matter, unless the vote of a greater number is required by law or by the Declaration, the Association's Articles of Incorporation or these By-Laws. Cumulative voting shall not be allowed.

8. **Voting By Proxy.** The vote allocated to a Member may be cast pursuant to a dated written proxy signed by the Member. A Member may not revoke a proxy except by appearing and voting at a meeting in person or by written notice delivered to the President prior to a meeting of the Association. A proxy terminates one year after its date, unless it specifies a shorter term.

9. **Waiver of Notice.** Any Member may, at any time, waive notice of any meeting of Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof, except when a Member attends a meeting for the express, limited purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required to have been given and any business may be transacted at such meeting.

10. **Informal Action by Members.** Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book.

Article IV Board of Directors

1. **Number and Term of Office.** The business and affairs of the Association shall be managed by a Board of Directors of no fewer than three (3) persons, who shall be Members of the Association, or shall be designated by the Declarant so long as Declarant owns five (5) Lots in the Development. Each Director shall serve a term of one (1) year unless he dies, resigns, retires, is removed, or disqualified, or his or her successor is elected and qualified.

2. **Compensation.** No Director shall receive compensation for any service he or she may render to the Association. However, with the prior approval of the Board, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

3. **Nomination.** After the first election of Directors, nominations for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. Nominations at the first meeting will be from the floor. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the

close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not fewer than the number of vacancies that are to be filled.

4. **Election.** Except as provided in Section 5 of this Article IV, Directors shall be elected at the annual meeting of the Members by written ballot. At such election, the Members or their proxies may cast, with 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 shall not be allowed.

5. **Removal.** Any director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Directors and shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the remaining Directors by special meeting duly called as provided in these By-Laws.

6. **Action without Meeting.** The Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Directors to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Board.

7. **Meetings.** Meetings of the Board shall be held quarterly without notice, at such place and hour, as may be fixed from time to time by resolution of the Board. Special meetings of the Board may be called by any director after not less than five (5) days notice to each Director.

8. **Quorum.** A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting shall be regarded as the act of the Board.

9. **Chairman.** A Chairman of the Board shall be elected by the Directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President of the Association shall serve as Chairman. In the event there is a vacancy in the office of Presidency, the Vice-President shall serve as Chairman until a new resident is elected.

10. **Liability of the Board.** The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contracts shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, by-law, agreement, vote of Members or disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, personal representatives, guardians, and conservators of such a person.

The Association may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability.

The Association's indemnity of any person who is or was a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (a) under any policy of insurance purchased and maintained on his or her behalf by the Association, or (b) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article, or elsewhere in these By-Laws, shall operate to indemnify any Director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

11. Powers and Authority of the Board of Directors. Subject to the provisions contained in the Declaration, herein, and applicable law, the Board shall have the power and authority to exercise all of the rights and powers of the Association, including, but not limited to, the following powers:

(a) To adopt rules and regulations governing the use of the Common Areas and facilities, the personal conduct of the Members and their guests thereon, and establish penalties for the infraction thereof;

(b) To suspend the voting rights and right of use of the Common Areas, including but not limited to 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 upon notice to the Member of such default; and to suspend such rights, after notice and hearing, for infraction of published rules and regulations for a period not to exceed sixty (60) days;

(c) To declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board;

(d) To employ and dismiss a manager, independent contractors, agents, or employees as it deems necessary and proper, and prescribe their duties and services, fix their compensation and require of them such security or fidelity bonds as the Board may deem appropriate;

(e) To procure, maintain, and pay premiums on, insurance policy(ies) and equitably assess the Members for their pro rata portion of such expense;

(f) To impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Areas or elements other than for service provided to Members;

(g) To employ attorneys and accountants to represent the Association when deemed necessary;

(h) To grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the Common Areas without the assent of the Members when such easements are necessary or proper, by vote of the Board of Directors, for the convenience, use, and enjoyment of the Common Areas and Properties;

(i) To exercise all other 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, the Declaration of applicable law;

(j) To exercise any other powers necessary and proper for the governance and operation of the Association; and

(k) To have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of South Carolina by law may now or hereafter have or exercise.

12. Duties of the Board of Directors. The Board of Directors shall have the following duties:

(a) To cause the common Areas to be maintained, repaired, and replaced as necessary, and to assess the Members to recover the cost of the upkeep of the Common Areas;

(b) To keep a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting, or at any special meeting when such statement is requested in writing by twenty five per cent (25%) of the Members;

(c) To supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;

(d) As more fully provided in the Declaration, to fix the amount of the annual assessment against each Lot at least thirty (30) days before January 1 of each year based on the projected budget for the annual assessment period;

(e) To send written notice of each assessment to every Member at least thirty (30) days in advance of the due date for each annual assessment;

(f) To foreclose any unpaid assessments and liens and liens resulting therefrom against any Lot for which assessments are not paid within thirty (30) days after due date and to bring an action against the Member personally obligated to pay the same, as the Board may elect;

(g) to issue, or have issued, for a reasonable charge, a certificate setting forth whether or not any assessment has been paid to or for the benefit of Members, the Board, or third parties requesting the same; provided, however, that if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(h) To procure and maintain, at all times, adequate hazard insurance on the Common Areas and other property owned by the Association and upon all other property for which the Association has the duty to maintain, and liability insurance in such amounts may be reasonable and customary for like Associations in the area to protect the Association and officers and Directors thereof; and

(i) to cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as the Board may deem appropriate.

Article V Officers

1. **Officers.** The officers of the Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

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.

3. **Term.** Each officer of the Association shall be elected annually by the Board and each officer shall hold office for one (1) year or until his or her death, resignation, retirement, removal, disqualification, or his or her successor is elected and qualifies.

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.

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 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.

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 or she replaces.

7. **Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. 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 4 of this Article V.

8. **Compensation.** No officer shall receive any compensation from the Association for acting as such.

9. **Powers and Duties of the Officers.**

(a) The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board and the Association Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and contracts and shall co-sign all checks promissory notes and mortgages on behalf of the Association.

(b) The Vice President shall act in the place of the President, in the event of his or her absence, or his or her inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her 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 the corporate seal 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

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Board; shall sign all checks, promissory notes, and mortgages (such checks, promissory notes, and mortgages to be co-signed by the President) of the Association; shall keep proper books of account; shall 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 a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each Member.

Article VI
Books and Records

The books, records and papers of the Association (the "Records") shall at all times, be maintained at the principal office of the Association or at such other place within Greenville County, South Carolina as designated by the Board and disclosed to the Members by notice or at the annual or a special meeting. The Records shall at all times, during reasonable business hours, be subject to inspection by any Member at the location at which they are maintained, where copies may be purchased at a reasonable cost to be set from time to time by the Board of Directors.

2. **Form of Waiver of Notice.** The following form of waiver of notice shall be deemed sufficient, but any other form may be used which is sufficient at law:

Lismore Village Homeowners' Association, Inc.

We the undersigned (Board or Association Members) of Lismore Village Homeowners' Association, Inc. do hereby severally waive notice of the time, place, and purpose of (the annual or a special) meeting of the Board or Association members) of the said Association, and consent that the same be held at _____ on the ____ day of _____, _____, at ____ o'clock __.m., and do further consent to the transaction of any and all business of any nature that may come before the meeting.

Dated: _____

**Article VII
Committees**

The Association shall appoint 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 purposes.

**Article VIII
Forms of Proxy and Waiver**

1. **Forms of Proxy.** The following form of proxy shall be deemed sufficient, but any other form may be used which is sufficient at law:

Lismore Village Homeowners' Association, Inc.

Know all men by these presents that the undersigned member of Lismore Village Homeowners' Association, Inc. (the "Association") hereby constitutes and appoints _____ the attorney and proxy of the undersigned to annual and special meetings of the members of the Association, at which I am not present, until the Secretary of the Association receives from me a letter or other written notice revoking this proxy and for and on behalf of the undersigned to vote as the undersigned would be entitled to vote if personally present, hereby ratifying and confirming all that said attorney and proxy shall do in the premises, and giving and granting unto said attorney and proxy full power of substitution and revocation.

Dated: _____

Member

Witness:

**Article IX
General Provisions**

1. **Amendments.** Except as otherwise provided herein or in the Declaration, these By-Laws may be amended or repealed and new by-laws may be adopted by the affirmative vote of a majority of the Board then holding office at any regular or special meeting of the Board and by a majority vote of the Members at a regular or special meeting of the Members at which a quorum is present, except that the U.S. Department of Housing and Urban Development, the Federal Housing Administration and/or the Veterans Administration shall have the right to veto amendments, to the extent that the same is allowed under South Carolina law. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of conflict between the Declaration and these By-Laws, the Declaration shall control.

2. **Association Seal.** A seal with the words "Lismore Village Home Owners' Association, Inc." on it shall be the common corporate seal of the Association and shall be in the custody of the Secretary.

3. **Fiscal Year.** 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.

Lismore Village Home Owners'
Association, Inc.

By: _____
Incorporator

Approved by the Board of Directors on December____, 2006.

_____ Chairman

FILED FOR RECORD IN GREENVILLE COUNTY, SC ROD
2006123116 Book: DE 2242 Page: 1633-1667
December 20, 2006 08:48:30 AM

Timothy J. Hanney