

BY-LAWS
OF
ASHETON SPRINGS HOMEOWNERS ASSOCIATION, INC.

I.

NAME

The name of the Association is ASHETON SPRINGS HOMEOWNERS ASSOCIATION, INC. (the "Association").

II.

PRINCIPAL OFFICE

The principal office of the Association shall be located at Asheton Way, Simpsonville, SC 29681, 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.

III.

PURPOSES AND POWERS

1. The 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 and control of the common areas and the roadways within the certain tract of property known as Asheton Springs, and for such other purposes as may hereafter be brought within the jurisdiction of this Association.

2. The Association shall exercise all of the powers and privileges and perform all of the duties and obligations of the Association now or hereafter granted or imposed as set forth in that certain Declaration of Restrictive Covenants, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the RMC Office for Greenville County, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length.

3. The Association shall fix, levy, collect, and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Declaration, and pay all expenses incident to the conduct of the business of the Association.

4. The Association shall have and exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Laws of the State of South Carolina by law may now or hereafter have to exercise.

IV.

MEMBERSHIP

1. The owner of any residence in Asheton Springs Subdivision shall be a member of the Association.

2. When title to any residence is vested in two or more persons as tenants in common, the vote shall be exercised as they among themselves shall determine, but in no case shall more than one vote be cast per residence. Upon re-subdivision or combination of one or more lots for a single residence, the owner of such lots thenceforth existing shall thereafter be entitled to one (1) vote in this Association in accordance with the foregoing.

3. Membership in the Association shall be appurtenant to and may not be separated from ownership of the lot which is subject to assessment by the Association.

4. Non-payment of dues and assessments will result in loss of voting privileges.

V.

BOARD OF DIRECTORS

1. The affairs of this Association shall be managed by a Board of Directors, who shall be members of the Association. The Board will consist of four (4) officers and any permanent committee chairmen.

2. The committee chairmen shall be elected annually by the membership of the Association at its annual meeting and shall hold office for a period of one (1) year and until their successors have been elected and qualified.

3. The officers will be President, Vice-President, Secretary, and Treasurer. The terms of such officers shall be staggered so that two new officers are elected each year, beginning with the first anniversary of the election of the initial Board.

4. REMOVAL. Any Director may be removed from the Board, with or without cause, by a two-thirds (2/3) 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 a special election held by the Association, and shall serve the remaining term of the predecessor.

VI.

MEMBERS' MEETINGS

1. The regular annual meeting date of the Association shall be established by the Board of Directors and shall be held the date so established by the Board of Directors and shall be held the date so established each year unless changed by resolution of the Board of Directors.

2. Special meetings of the Association may be called by the Board of Directors. Notice of special meeting of the Association shall be given to each member in writing three (3) days in advance thereof. Said notice shall be delivered personally or by mail to each member at the address registered with the Board and shall specify the time, place, and purpose of the meeting.

3. One-half (1/2) of the voting membership shall constitute a quorum for the transaction of any business and, if a quorum be present, all matters shall be directed by a two-thirds (2/3) majority vote of those members present.

4. PROXY. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by a member or his duly authorized attorney-in-fact. No proxy shall be valid after twelve (12) months from the date of its execution unless otherwise provided for in the proxy.

5. Any member with a special concern may address the Board by contacting any Director and giving a brief description in writing of the concern to be addressed. The concern will be brought up during the next Board meeting with a written response to follow.

VII.

NOMINATION AND ELECTION OF OFFICERS

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 Nomination Committee shall consist of a chairman who shall be a member of the Board of Directors, and two or more members of the Association. The Nomination Committee shall be appointed by the Board of Directors 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 of Directors as it shall in its discretion determine, but not less than the number of vacancies to be filled.

2. ELECTION. Election to the Board of Directors shall be by secret written ballot. The persons receiving the largest number of votes shall be elected.

VIII.

MEETINGS OF DIRECTORS

1. **REGULAR MEETINGS.** Meetings of the Board of Directors shall be held on call of the President, minimum quarterly.

2. **SPECIAL MEETINGS.** Special meetings of the Board of Directors shall be held when called by the President of the Association, after not less than three (3) days verbal notice to each director (exclusive of recorded devices).

3. **QUORUM.** A fifty (50%) percent plus one (1) majority of the number of 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 at which a quorum is present shall be recorded as the act of the Board. Where the Board is composed of an odd number, a quorum would consist of fifty (50%) percent of the next highest even number. Example: For a seven (7) member Board, a quorum would be four (4) members.

IX.

POWERS AND DUTIES OF BOARD OF DIRECTORS

1. **ENUMERATION OF BOARD OF DIRECTORS.** The Board of Directors shall consist of all officers and any permanent committee chairman.

2. **POWERS.** The Board of Directors shall have power to:

a. 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, or the Articles of Incorporation.

b. Declared 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.

c. Nothing in these By-Laws shall be construed to permit the Board of Directors to borrow or pledge the credit of the Association or sell or transfer all or any part of the assets of the Association without the specific approval of a two-thirds (2/3) majority of members attending and voting at a duly held Association meeting.

3. **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 (1/4) of the members who are entitled to vote.

b. Transact all Association business and approve rules and regulations for the use of the Association property.

c. Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed.

d. The Board of Directors shall elect one or more financial institutions to act as depositories of the funds of the Association and shall determine the manner of receiving, depositing, and distributing the funds of the Association and the form of checks to be used.

X.

OFFICERS AND THEIR DUTIES

1. ENUMERATION OF OFFICERS. The officers of the Association shall be a President, Vice-President, Secretary, and Treasurer, all of whom shall at all times be members of the Board of Directors.

2. DUTIES. The duties of the officers are as follows:

a. PRESIDENT: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments and shall co-sign all checks and promissory notes.

b. VICE-PRESIDENT: The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

c. SECRETARY: 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, if any, 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.

d. TREASURER: 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 co-sign all checks and promissory notes of the Association; keep proper books of account and have available said books for review by any member upon request; and shall prepare an annual budget and a statement of income and expenditures to be presented to the

membership at its regular annual meeting, and deliver a copy to each of the members.

XI.

EXPENDITURE OF FUNDS

1. The President and Treasurer are empowered to co-sign checks, drafts, or other instruments for payment of money drawn in the name of the Association.

2. The Board of Directors is authorized to approve non-budgeted expenditures up to Two Hundred Dollars (\$200.00), with written notice of such transaction to membership.

3. The membership by a two-thirds (2/3) majority vote must approve non-budgeted expenditures in excess of Two Hundred Dollars (\$200.00).

XII.

INDEMNIFICATION OF DIRECTORS, OFFICERS, AND EMPLOYEES

1. The Board of Directors of the Association shall authorize the payment of expenses incurred by or satisfy a judgment or find rendered or levied against a present or former director and/or officer of the Association (whether or not the Association is joined as a party defendant) to impose a liability or penalty on such person for an act alleged to have been committed by such person while a director and/or officer, or by the Association, or by both, or may reimburse such person for amounts paid and expenses reasonably incurred in settling any such action or threatened action; PROVIDED, the Board of Directors determines in good faith that such director and/or officer was acting in good faith within the scope of his or her authority and for a purpose which was in the best interests of the Association or its members.

2. The Board of Directors may, in its sole discretion, authorize the payment of expenses incurred by, or satisfy a judgment or fine rendered or levied against, a present or former employee of the Association, in an action brought by a third party against such person (whether or not the Association is joined as a party defendant) to impose a liability or penalty on such person for an act alleged to have been committed by such person, while an employee, or by the Association, or by both, or may reimburse such person for amounts paid and expenses reasonably incurred in settling any such action or threatened action; PROVIDED, the Board of Directors determines in good faith that such employee was acting in good faith within the scope of his or her employment or authority and for a purpose which was in the best interests of the Association or its members.

XIII.

DUES AND ASSESSMENTS

1. The annual dues and budget shall be approved by the membership at its annual meeting by a vote of a two-thirds (2/3) majority of a quorum of members present in person or by proxy. Dues must be paid February 1, payable in advance, non-refundable. Any assessment not paid within 30 days after the due date thereof shall bear interest from the due date at 1 1/2% per month or the legal rate of interest, whichever is less.

2. The annual dues assessment shall be based upon the residence only, but in the event of non-payment, shall become a lien upon all lots or portions of lots used by an owner in connection with his residence, and the Association shall be entitled to collect court cost and attorney's fees for the collection of any past due assessment.

3. Association dues will be pro-rated for new construction residents. Pro-ration will be based upon the number of whole months of residence in the initial year. The dues assessment shall be payable on the date of the closing of the residence, as a duly designated closing cost.

XIV.

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member.

XV.

AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a two-thirds (2/3) majority of a quorum of members present in person or by proxy.

XVI.

DISSOLUTION

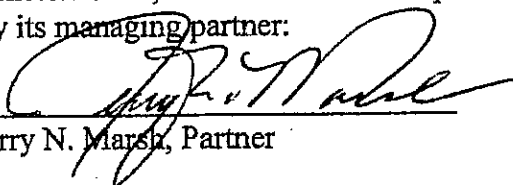
The Association may be dissolved with the assent given in writing and signed by not less than one hundred (100%) percent of the members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency 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 non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

XVII.

MISCELLANEOUS

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

Asheton Oaks, a General Partnership
By its managing partner:



Jerry N. Marsh, Partner