

The Retreat at Storm Branch Community Association, Inc.
By-laws

ARTICLE I - NAME

- 1.1 The name of this organization shall be "The Retreat at Storm Branch Community Association, Inc.," hereinafter called the "Association." The Association, its successors and assigns, is a South Carolina nonprofit organization.

ARTICLE II - PURPOSE

- 2.1 The objective of the Association is to provide for the preservation of values and for the maintenance of common facilities and services and for a vehicle for the administration and enforcement of covenants and restrictions.
- 2.2 The Association is organized exclusively for The Retreat at Storm Branch Subdivision purposes and is a non-profit organization under the Internal Revenue Code. The Association shall not carry on any activities not permitted by an organization exempt from Federal income tax. No part of the net earnings of the Association shall inure to the benefit of, or be distributable to, its Members, Directors, Officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make distributions in furtherance of its purposes.

ARTICLE III - ASSOCIATION YEAR

- 3.1 The Association year shall be from January 1 to December 31.

**ARTICLE IV - MEMBERSHIP AND VOTING RIGHTS
IN THE ASSOCIATION**

- 4.1 Every homeowner and the Storm Branch Ventures, LLC, hereinafter called the "Company," shall be Members of the Association.
- 4.2 The Association shall have two types of regular voting memberships, as further described in the Declaration of Covenants and Restrictions Establishing and Providing for The Retreat at Storm Branch Community Association, hereinafter called the "Declaration," Article III, Section 2.
- 4.2.1 Type "A" Members shall be all Owners of residential lots, family dwelling units, and unsubdivided land, except the Company so long as it is a Type "B" Member. Each Type "A" Member shall be entitled to one vote regardless of the number of properties which he or she might own or the size or value of such properties.
- 4.2.2 The Type "B" Member shall be the Company. The Type "B" Member shall be entitled to the same number of votes as are cumulatively held from time to time by all Type "A" Members plus one vote. The Company shall continue as Type "B" Member until such time as it might, in its sole discretion, elect to relinquish

such membership. At such time as the Company ceases to be a Type "B" Member, it shall be a Type "A" Member if it is an Owner.

NOTE: The principles of the Declaration, Article III, shall apply to executing of proxies, waivers, consents or objections, for the purpose of ascertaining the presence of a quorum, voting rights and voting.

- 4.3 Membership, regardless of type, within the Association, shall not be transferable and any Member who shall remove his or her ownership within The Retreat at Storm Branch Subdivision shall, upon removal, automatically have such membership terminated, together with all rights and privileges appurtenant thereto; provided, however, that any unamortized portion of any dues, fees or other charges applicable to, and paid by, said Member may, upon written instructions from said Member, be transferred to any individual otherwise meeting the membership qualifications of the Association and becoming an owner within the lot of the former Member.
- 4.4 The Company expressly reserves the right to remove any board member for any reason at any time in its discretion, as long as the Company owns one or more lots in the subdivision. This right will automatically terminate when Company sells its last lot in the subdivision.

ARTICLE V - MEETINGS OF MEMBERS

- 5.1 "Duly called Meetings" of the Members may be held at any place within reasonable proximity to The Retreat at Storm Branch Subdivision as set forth in the notice thereof, or in the event of a meeting held pursuant to waiver of notice, as may be set forth in the waiver.
- 5.2 The initial meeting of Members shall be held to approve these Bylaws and elect the Board of Directors. Thereafter, the annual meeting of Members shall be held before December 1st, for the purpose of electing Directors and transacting any and all other business that may properly come before the meeting.
- 5.3 If the annual meeting is not held on the day designated in Section 5.2, any business, including the election of Directors, which might properly have been acted upon at that meeting may be acted upon at any subsequent meeting held pursuant to these Bylaws or to a court order requiring a substitute annual meeting.
- 5.4 Special meetings of the Members of any particular type may be called at any time by the President, and shall be called by the President or Secretary when so directed by the Board of Directors or at the request in writing of the Members having fifty percent (50%) or more of the votes in their respective type. Such request shall state the purpose or purposes of the proposed meeting.
- 5.5 Except as otherwise required by statute of the Declaration, written notice of each meeting of the Members, whether annual or special, shall be served, either personally or by mail, upon each Member of record entitled to vote at such meeting, not less than thirty (30) days in the case of the annual meeting and not less than seven (7) days in the case of any other special meeting. If mailed, such notice shall be directed to the Member at his or her residence address last shown on the records of the Association. Notice of any special meeting of Members shall state the purpose or purposes for which the meeting is called.

Notice of any meeting of Members shall not be required to be given to any Member who, in person or proxy, either before or after such meeting, shall waive such notice. Attendance of a Member at a meeting, either in person or by proxy, shall of itself constitute waiver of notice and waiver of any and all objections of the place of the meeting, the time of the meeting, and the manner in which it has been called or convened, except when a Member attends a meeting solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of business. Notice of any adjourned meeting need not be given otherwise than by announcement at the meeting at which the adjournment is taken.

- 5.6 When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association, a statement of certain motions to be introduced for the vote of the Members and a ballot on which each Member may vote for or against each motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements. Such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.
- 5.7 All meetings of the Association shall be governed and conducted in conformity with the latest edition of Robert's Rules of Order.
- 5.8 A quorum shall be deemed present based on requirements in the Declaration, Article III, Section 5.
- 5.9 Voting on all matters shall be by member type, by voice or by show of hands unless any qualified voter, prior to the voting on any matter, demands vote by ballot, in which case each ballot shall state the name of the Member voting, and if such ballot be cast by proxy, it shall also state the name of the person exercising such proxy.
- 5.10 Members in arrears of their annual or special assessments shall forfeit all voting rights until all assessments have been paid.
- 5.11 The votes appertaining to any lot may be cast pursuant to a proxy duly executed by the Member. No such proxy shall be revocable if it is not dated or if it purports to be revocable without notice as aforesaid. No proxy shall be voted after one (1) month from its date, unless such proxy provides for a longer period.
- 5.12 The President, or in his or her absence, the Vice-President, shall serve as a chairperson of every meeting. In the absence of the President or Vice-President, some other person may be elected to serve as chairperson by a majority vote of the votes represented at that meeting. The chairperson shall appoint such persons as deemed necessary to assist with the meeting.
- 5.13 Any meeting, whether or not a quorum is present, may be adjourned by a majority of the Members of a particular type represented at the meeting to reconvene at a specific time and place. It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. At any such reconvened meeting at which persons are entitled to cast more than one-fourth (1/4) of the votes of that particular type of Members of the Association are present or represented at the beginning of such reconvened meeting, any business may be transacted which could have been transacted at the meeting which was adjourned.

- 5.14 Any action which may be taken at a meeting of the Members may be taken without a meeting if a written approval and consent, setting forth the action authorized, shall be signed by a majority of the Members entitled to vote on the date on which the last such Member signs such approval and consent and upon the filing of such approval and consent with the Secretary of the Association having custody of its books and records. Such approval and consent so filed shall have the same effect as a majority vote of Members at a special meeting called for the purpose of considering the action authorized.

ARTICLE VI - BOARD OF DIRECTORS

- 6.1 The business and affairs of the Association, the direction of its work, and the control of its property shall be vested in its Board of Directors, hereinafter referred to as the "Board".
- 6.2 The Board shall consist of three (3), five (5), seven (7) or (9) nine directors elected as hereinafter provided. Members in arrears of their annual or special assessments shall forfeit their rights to be nominated /elected as a Member of the Board.
- 6.3 Directors shall be elected for two (2) year terms. Terms shall be staggered such that approximately half (1/2) of the Directors are elected each year. Each Director shall hold office for the term to which he or she is elected or appointed and until his or her successor shall have been elected or appointed and qualified, or until his or her earlier resignation, removal from office or death.
- 6.4 Any Director may be removed from office with or without cause by the affirmative vote of a majority of the Association Members at an election of Directors. Removal action may be taken at any meeting with respect to which notice of such purpose has been given, and a removed Director's successor may be elected at the same meeting to serve the unexpired term.
- 6.5 A vacancy occurring in the Board of Directors may be filled for the unexpired term by affirmative vote of a majority of the Directors remaining in office though less than a quorum of the Board of Directors. Provided, however, a vacancy occurring in the Board of Directors by reason of removal of a Director shall be filled by a vote of the Association.
- 6.6 Directors shall not receive compensation for their services as Directors. A Director may serve the Association in a capacity other than that of Director and receive compensation, as determined by the Board of Directors, for services rendered in that capacity; provided such compensation is paid in accordance with a written agreement approved by a majority of the Association at a meeting of which notice is given that such agreement will be voted on. Additionally, Directors may be reimbursed for properly documented expenses incurred in connection with their duties hereunder.
- 6.7 The Board of Directors by resolution adopted by a majority of the full Board of Directors may designate from among its Members an Executive Committee and one or more committees, each consisting of three (3) or more Directors. Except as prohibited by law, each committee shall have the authority set forth in the resolution establishing such committee.

- 6.8 The Executive Committee may act for and on behalf of the Association when the board is not in session, but shall report to the Board all action which it takes and such action shall be ratified by the Board at its next regular meeting. It shall meet at such times as the Committee or the chairperson of the Committee may determine.

ARTICLE VII - MEETINGS OF THE BOARD OF DIRECTORS

- 7.1 Regular meetings of the Board of Directors shall be held no later than one (1) month following the annual meeting of Members or any meeting held in lieu thereof. In addition, the Board of Directors may schedule other meetings to occur at regular intervals throughout the year.
- 7.2 Special meetings of the Board of Directors may be called by or at the request of the President, or in his or her absence by the Secretary of the Association, or by any three (3) Directors in office at the time.
- 7.3 Directors may hold their meetings at any place within Columbia County, South Carolina, or at such other place or places, as the Board of Directors may from time to time establish for regular meetings or as is set forth in the notice of special meetings or, in the event of a meeting held pursuant to waiver of notice, as may be set forth in the waiver.
- 7.4 No notice shall be required for any regularly scheduled meeting of the Directors of the Association. Unless waived or unless action is taken without a meeting as contemplated in Section 7.7, the President or Secretary of the Association or any director thereof shall give notice to each Director of each special meeting stating the time, place, and purpose(s) of the meeting. Such notice shall be given by mailing a notice of the meeting at least five (5) days before the date of the meeting, or by telephone, email, or personal delivery at least three (3) days before the date of the meeting. Notice shall be deemed to have been given by email at the time the email is sent. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting the transaction of business because the meeting is not lawfully called.
- 7.5 At all meetings of the Board of Directors, the presence of a majority of the authorized number of Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, by the Declaration or by these Bylaws. In the absence of a quorum a majority of the Directors present at any meeting may adjourn the meeting from time to time until a quorum be had. Notice of any adjourned meeting may only be given by announcement at the meeting at which the adjournment is taken.
- 7.6 Except as otherwise provided in this section or by law, the act of a majority of the Directors present at a meeting at which a quorum is, or was at the beginning of the meeting, present shall be the act of the Board of Directors. Vacancies in the Board of Directors may be filled as provided in Section 6.5 of these Bylaws.
- 7.7 Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent thereto shall be signed by a majority of the Directors, and such written consent is filed with the minutes of the proceedings of

the Board. Such consent shall have the same force and effect as a majority vote of the board of Directors.

- 7.8 A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the Directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

ARTICLE VIII - OFFICERS

- 8.1 The Board of Directors, at its initial meeting and its first meeting after each annual meeting of Members, shall elect the following officers: a President, a Vice-President, a Secretary and a Treasurer. Members in arrears of their annual or special assessments shall forfeit their rights to be nominated/elected/appointed as an officer. The Board of Directors at any time and from time to time may appoint such other officers as it shall deem necessary, including one (1) or more assistant Vice-Presidents, one (1) or more assistant Treasurers, and one (1) or more assistant Secretaries, who shall hold their offices for such terms as shall be determined by the Board of Directors and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. The President and the Vice-President may not hold any other office.
- 8.2 Each Officer of the Association shall hold office until his or her successor is chosen or until his or her earlier resignation, death or removal, or the termination of his or her office. Any officer may be removed by the Board of Directors whenever in its judgment the best interest of the Association will be served thereby.
- 8.3 No officers shall receive any compensation from the Association as a result of their status as such officers. An officer may, however, serve the Association in a capacity other than that of an officer and receive compensation, as determined by the Board of Directors, for services rendered in that capacity; provided such compensation is paid in accordance with written agreement approved by a majority of the Members at a meeting of which notice is given that such agreement will be voted on. Additionally, officers may be reimbursed for properly documented expenses incurred in connection with their duties hereunder.
- 8.4 Any officer or agent elected by the Board of Directors may be removed by the Board of Directors at any meeting with respect to which notice of such purpose has been given to the Members thereof.
- 8.5 The President shall be the chief executive officer of the Association and shall have the general supervision of the business of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall call meetings of the Members and the Board of Directors to order and shall act as Chairperson of such meetings. The President shall perform such other duties as specifically imposed upon him or her by law and as may from time to time be delegated to him or her by the Board of Directors.
- 8.6 The Vice-President shall, in the absence or disability of the President, or at the direction of the President, perform the duties and exercise the powers of the President. If the Association has more than one Vice-President, the one designated by the Board of

Directors shall act in lieu of the President. Vice-Presidents shall perform whatever duties and have whatever powers the Board of Directors may from time to time assign.

- 8.7 The Secretary shall keep accurate records of the acts and proceedings of all meetings of Members, Directors, and committees of Directors. The Secretary shall give, or cause to be given all notices required by law or these Bylaws. He or she shall be custodian of the Association's books, records, contracts, and other documents. The Secretary shall sign such instruments as may require his or her signature. The Secretary shall perform whatever additional duties and have whatever additional powers the Board of Directors may from time to time assign.
- 8.8 The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit, or disburse the same under the direction of the Board of Directors. The Treasurer shall keep full and true accounts of all receipts and disbursements and shall make reports of the same to the Board of Directors and President upon request. The Treasurer shall perform all duties as may be assigned from time to time by the Board of Directors.
- 8.9 The Assistant Secretary and Assistant Treasurer, if any, shall in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those officers, and they shall, in general perform such other duties as shall be assigned to them by the Board of Directors.
- 8.10 Vacancies occurring within the offices during the fiscal year will be filled by presidential appointment with Board approval. The Board, by majority vote, will elect a new President if a vacancy occurs in that position.

ARTICLE IX - MEMBER COMMITTEES

- 9.1 The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may appoint Committees of Members, each of which committees shall contain at least one (1) Member of the Board of Directors and shall consist of three (3) or more Members. Except as prohibited by law, each such committee shall have authority set forth in the resolution establishing said committee.
- 9.2 The Board shall be empowered to appoint such standing committees and special committees (e.g. Bylaws, Finance, Grounds, Architectural, Social, Welcoming, Nomination) as may be deemed necessary for the conduct of the affairs of the Association.
- 9.3 It shall be the function of the committee to investigate and make recommendations. No Member Committee shall have power to commit the Association on any matter of general policy.
- 9.4 No committee of the Association or any member thereof shall contract any debt in behalf of the Association, which shall in any manner render the Association liable for payment of any sum unless the same shall have been approved by the Board of Directors of the Association or shall have been provided within the limitations of the approved budget.

ARTICLE X - BUDGETS AND ASSESSMENTS

- 10.1 At each annual meeting (or special meeting held in lieu thereof), the Board of Directors shall have prepared and shall submit a budget for Membership approval. This budget shall require the approval of a majority of the Members present and eligible to vote at such meeting.
- 10.2 Based upon budgets approved as provided herein, the Board of Directors shall set regular annual assessments and special assessments for each type of Member. Regular annual assessments and the time and method of payment shall be in accordance with the Declaration, Article V, Section 4. Special assessments and the time and method of payment shall be in accordance with the Declaration, Article V, Section 5.
- 10.3 No special assessments shall be levied against the Members of any type except upon the approval of a majority vote of the Members in accordance with the Declaration.
- 10.4 The initial Board of Directors shall, at the initial meeting of Members, submit to the Members a budget together with a schedule of dues and fees. Anything contained in Section 10.1 to the contrary notwithstanding, the approval of such budget shall require a majority of each type of Member to approve the budget and such initial budget shall remain in full force and effect until the next annual meeting, or special meeting held in lieu thereof.
- 10.5 All monies received by the Association shall be deposited in financial institutions approved by the Board. All disbursements shall be made by checks signed by the Treasurer or any other officer designated by the Treasurer.

ARTICLE XI - MISCELLANEOUS

- 11.1 The Board of Directors is authorized to fix the fiscal year of the Association and to change the same from time to time as it deems appropriate.
- 11.2 Not later than four (4) months after the close of each fiscal year, and in any case prior to the next annual meeting of Members, the Treasurer shall prepare (a) a balance sheet showing in reasonable detail the financial condition of the Association as of the close of its fiscal year, and (b) an income and expense statement showing the results of its operations during its fiscal year. Upon receipt of written request, the Treasurer shall promptly mail to any Member a copy of the most recent such balance sheet and income and expense statement or post to a communal website that all members have access.
- 11.3 All accounts, books and records of the Association shall be opened to the inspection of the Members, subject to such reasonable rules and regulations not in conflict with applicable laws as the Board of Directors may impose.
- 11.4 Each Director or Officer of the Association shall be indemnified by the Association against those expenses which are allowed by the laws of the State of South Carolina and which are reasonably incurred in connection with any action, suit or proceeding, contemplated, pending or threatened, in which such person may be involved by reason of his or her being or having been a Director or Officer of this Association. Such indemnification shall be made only in accordance with the laws of the State of South Carolina and subject to the conditions prescribed therein. The Association may purchase

and maintain insurance on behalf of any such Officers and Directors against any liabilities asserted against such persons whether or not the Association would have the power to indemnify such Officers and Directors against such liability under the laws of the State of South Carolina. If any expense or other amounts are paid by way of indemnification, other than by court order, action by Members or by any insurance carrier, the Association shall provide notice of such payment to the Members in accordance with the provisions of the laws of the State of South Carolina.

- 11.5 Whenever any notice is required to be given to any Member or Director by law, a waiver thereof in writing signed by the Director or Member entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent thereto.
- 11.6 Upon merger or consolidation of the Association with another association, the surviving or consolidated Association may administer the Existing Property, together with the covenants and restrictions established upon any other properties, as one plan.

ARTICLE XII - AMENDMENT

- 12.1 The Bylaws of the Association may be altered or amended and new Bylaws may be adopted by the Members at any annual or special meeting of the Members provided, however, that, if such action is to be taken at a meeting of the Members, notice of the general nature of the proposed change in the Bylaws shall be given in the notice of the meeting.

ARTICLE XIII - DISSOLUTION

- 13.1 Upon dissolution of the Association, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the Association, dispose of all of the assets exclusively for the purposes of the Association, purposes as at the time qualify as a non-profit organization under the Internal Revenue Code, as the Board of Directors shall determine.
- 13.2 All non-cash assets of the Association shall be converted to cash, at fair market value if possible, at the best public-auction price if not. Association accounts payable shall have first priority for disbursement of those funds. Any remaining funds shall be assigned to future improvements at The Retreat at Storm Branch subdivision.

Signed: _____

By its: _____

Dated: _____

Signed: _____

By its: _____