

BY-LAWS
OF
THE PINNACLE POINT LAND OWNERS' ASSOCIATION

Article 1

Name, Principal Office, and Definitions

- 1.1 Name.** The name of the Association shall be The Pinnacle Point Land Owners' Association (hereinafter the "Association").
- 1.2 Principal Office.** The principal office of the Association shall be located at 1035 Indian Mound Road, Lexington, Lexington County, South Carolina. The Association may have such other offices, either within or outside the State of South Carolina, as the Board may determine or as the affairs of the Association may require.
- 1.3 Definitions.** The words used in these By-Laws shall be given their normal, commonly understood meanings.

Article 2

Association: Membership, Meetings, Quorum, Voting, Proxies

- 2.1 Creation.** The Association is formed pursuant to the authority set forth in the Restrictive Covenants and Road Maintenance Agreement Applying to the Property Known as Pinnacle Point, hereinafter the "Declaration," dated January 6, 1997 and recorded January 29, 1997 in Book 358 at Page 297 in the Office of the Register of Deeds for Pickens County, South Carolina.
- 2.2 Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in a subdivided lot or parcel that is subject to the Declaration shall be a member of the Association. The membership of each owner of a subdivided lot or parcel that is subject to the Declaration shall be appurtenant to and may not be separated from ownership of the subdivided lot or parcel that is subject to the Declaration and ownership of the subdivided lot or parcel shall be the sole qualification for such membership. In the event that fee title to a subdivided lot or parcel that is subject to the Declaration is transferred or otherwise conveyed, the membership in the Association that is appurtenant thereto shall automatically pass to such transferee. Any person or entity that holds an interest in a subdivided lot or parcel that is subject to the Declaration merely as security for the performance of an obligation shall not be a member of this Association.
- 2.3 Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board either within the Properties or as convenient thereto as possible and practical.

2.4 Annual Meetings. The first meeting of the Members, whether an annual or a special meeting, shall be held on such day and at such time as the Board, upon majority vote, shall determine and which shall occur not more than twelve (12) months following the date of the filing of the Articles of Incorporation by the Organization. Subsequent annual meetings of the Members shall be held thereafter at an hour and place to be decided within ninety (90) days of such first meeting, as set by the Board.

2.5 Special Meetings. Special meetings of the Members shall be promptly scheduled at any time by the Board upon vote of a majority of the Board of Directors or upon written request of the President. A special meeting of the Members shall be called upon written demand delivered to the Secretary by the Members representing five percent (5%) of the total voting power of the Association, notice of which shall be by written notice to all Members within thirty (30) days of the Secretary's receipt of the demand. For purposes of determining the five percent (5%), the record date shall be thirty (30) days before delivery of the written demand. Upon the failure of the Association to send notice of a special meeting within thirty (30) days following delivery of written demand as aforesaid, any Member signing the demand may set the time and place of the special meeting and give notice thereof to all Members in accordance with the South Carolina Nonprofit Corporation Act of 1994.

2.6 Notice and Place of Meeting. Unless otherwise provided in the Declaration, the Articles of Incorporation, in these By-Laws, or in the South Carolina Nonprofit Corporation Act of 1994, written notice of each meeting of the Members, annual or special, shall be given by, or at the direction of, the Secretary, by mailing a copy of such notice, first class mail, postage prepaid, at least thirty (30) but not more than sixty (60) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Written notice is effective at the earliest of the following: (1) when received; or (2) five days after its deposit in the United States mail, if mailed correctly addressed and with first class postage affixed; in the case of written demand of Members representing five percent (5%) of the total voting power of the Association, written notice of such meeting shall be given not more than thirty (30) days after written demand is delivered to the Association. 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, and shall provide for voting by proxy. If the action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal; (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the Members; or (c) amending the Articles of Incorporation. Meetings shall be held within the Project or at a meeting place within the same county, as close to the Project as possible.

2.7 Waiver of Notice. Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the

Association.

2.8 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings in Section 2.6. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, as established in Section 2.12.

2.9 Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein. Each lot shall be represented by one vote, except for lots having more than ten acres, which shall be represented by two votes.

(a) Eligibility to vote. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lot and not subject to any suspension of voting privileges as a result of disciplinary proceeding conducted in accordance with the Declaration. A Member's good standing shall be determined as of the record date established in accordance with Section 2.9(b). The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing.

(b) Record Dates.

(i) Record Dates Established by the Board. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the South Carolina Nonprofit Corporation Act of 1994. The record dates established by the Board pursuant to this section shall be as follows:

(ii) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than ninety (90) nor less than ten (10) days before the date of the meeting;

(iii) Record Date for Voting. In the case of determining those Members entitled

to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(iv) Record Date for Action by Written Ballot Without Meeting. In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(v) Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

(vi) "Record Date" Means as of the Close of Business. For purposes of this subparagraph (a), a person holding a membership as of the close of business on the record date shall be deemed the Member of record.

2.10 Ballots and Representative Voting.

(a) Voting Referendum; Written Ballots. Any vote of Members on a matter that would be cast at an annual, regular or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall (i) indicate the record date for Members eligible to vote; (ii) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (iii) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and (iv) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

(b) Proxies. At all meetings of the Members, Members may vote in person or by proxy. Each proxy shall be in writing, dated, signed and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Proxies may be delivered to the Secretary by personal delivery, United States mail or telecopy to any director or the Association's management agent. Except as otherwise specifically provided in the proxy, it is presumed to cover all votes which the Member giving such proxy is allowed to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated shall prevail, or if of the

same date, both shall be deemed proxy, neither shall be valid more than eleven (11) months after tabulation unless otherwise provided in the proxy. Every proxy shall be automatically revoked upon conveyance of the Member's Lot.

2.11 Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

2.12 Quorum. Unless otherwise provided herein, in the Declaration, the Articles of Incorporation, or the South Carolina Nonprofit Corporation Act of 1994, the presence of Members representing one-third (1/3) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum of one-third (1/3) of the votes of all Members is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, provided that Members representing twenty percent (20%) of the total votes of the Association remain present in person or by proxy, and provided further that any action taken shall be approved by a majority of the Members required to constitute such quorum. The quorum for an adjourned meeting shall be as provided in Section 2.8 above.

2.13 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

2.14 Action Without A Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

Article 3

Board of Directors: Number, Powers Meetings

A. Composition and Selection.

3.1 Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote.

3.2 Number of Directors. The number of directors in the Association shall be not less than three (3), as set by the Board of Directors, from time to time. The initial Board shall consist of three (3) members.

3.3 Election and Term of Office. Notwithstanding any other provision in these By-Laws:

(a) At the first annual meeting of the membership after the filing of the Articles of Incorporation

for the Association, three Directors shall be elected by the members. The initial term for each such director shall be as follows: the first elected shall be for five (5) years; the second elected shall be for four (4) years; and the third elected shall be for three (3) years. At the expiration of the initial term of office of each member of the Board and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

Each Member shall be entitled to cast votes as established in Section 2.10 with respect to each vacancy to be filled from each slate on which such Member is entitled to vote. The candidate(s) receiving the most votes shall be elected. The directors elected by the Members shall hold office until the Association has elected their respective successors. Directors may be elected to serve any number of consecutive terms.

3.4 Removal of Directors and Vacancies. Any director may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, the Board may declare a vacancy, and it may appoint a successor. If applicable, any director appointed by the Board shall be selected from the Neighborhood represented by the director who vacated the position and shall serve for the remainder of the term of such director.

B. Meetings.

3.5 Organizational Meetings. The Board shall hold its first meeting within ten (10) days after the first annual meeting of the membership.

3.6 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by resolution of the Board, but at least one (1) such meeting shall be held each year.

Notice of the time and place of regular meetings shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Notice of the regular schedule shall constitute notice of such meetings.

3.7 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by a majority of the directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice

shall be given to each director by one (1) of the following methods: (a) personal delivery; (b) first class mail, postage prepaid; or © telephone communication, including telecopy, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery or telephone shall be delivered or telephoned at least seventy-two (72) hours before the time set for the meeting.

3.8 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice

3.9 Quorum of Board of Directors. At all meetings of the Board of Directors, each director shall be entitled to cast one vote; a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than ten (10) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

3.10 Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members holding a majority of the total votes of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses authorized by the Board to be incurred on behalf of the Association.

3.11 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings.

3.12 Open Meetings. Except in the case of action without a meeting or a conference call meeting of all Board members under Sections 3.13 and 3.14, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, excluding Members, to discuss

matters of a sensitive nature, such as pending or threatened litigation or personnel matters.

3.13 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

3.14 Conference Call Meetings. A member or members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment, as long as all persons participating in the meeting can hear each other. Such participation shall constitute presence in person at such meeting.

C. Powers and Duties.

3.15 Powers. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Members or the membership generally.

The Board may delegate to one (1) of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties otherwise imposed, the Board shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

- (a) preparation and adoption, subject to the limitations of the Declaration, of budgets in which there shall be established the contribution of each Owner to the expenses of the Association;
- (b) making assessments to defray the common expenses of the Association, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments, if any, of the annual assessment;
- © providing for the operation, care, upkeep, and maintenance of the common areas of the Association;
- (d) designating, hiring, and dismissing the personnel necessary for the operations of the Association and providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

- (f) making and amending rules and regulations;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to or alterations of the common areas after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations of the Association and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;
- (m) making available to any prospective purchaser of a subdivided lot or parcel subject to the Declaration, any first mortgagee of a subdivided lot or parcel subject to the Declaration, and the holders, insurers, and guarantors of a first mortgage on any subdivided lot or parcel subject to the Declaration, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules and regulations and all other books, records, and financial statements of the Association;
- (n) permitting utility suppliers to use portions of the common areas reasonably necessary to the ongoing development or operation of the Properties; and
- (o) Assisting in the resolution of disputes between owners of subdivided lots and parcels subject to the Declaration.

3.16 Management. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize.

3.17 Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) cash accounting shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;

- © cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;
- (e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;
- (f) financial reports shall be prepared for the Association once a year containing:
 - (A) an income statement reflecting all income and expense activity for the preceding period on a cash basis;
 - (B) a statement reflecting all cash receipts and disbursements for the preceding period;
 - © a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
 - (D) a balance sheet as of the last day of the preceding period;
 - (E) a delinquency report listing all owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent; and
- (g) an annual report consisting of at least the following shall be made available to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year.

3.18 Borrowing. The Association, acting through the Board of Directors, shall have the power to borrow money for the purpose of maintenance, repair or restoration of common areas without the approval of the Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain approval by two thirds of the votes of the Members present and voting at a duly called meeting in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

3.19 Rights of the Association. With respect to the common areas, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, and other owners or resident associations, both within and without the Properties.

Any contract, lease or other agreement (including any management contract) entered into by the Association with a third party must require such third party to maintain adequate liability and worker's compensation insurance, if applicable, as determined in the sole discretion of the Board.

3.20 Authority and Enforcement. Subject to the provisions Section 3.23 hereof, upon the violation of the Declaration, these Bylaws, or any rules and regulations duly adopted, including, without limitation, the failure to timely pay any Assessments, the Board will have the power (a) to impose reasonable monetary fines which will constitute an equitable charge and a continuing lien as a specific Assessment, (b) to suspend an Owner-Member's right to vote in the Association, or © to suspend an Owner's or occupant's right to use any of the Common Areas. The Board will have the power to impose all or any combination of these sanctions, and may establish each day a violation remains uncured as a separate violation for which a fine is due; provided, however, an Owner's access to its property over the private roads and streets constituting Common Areas will not be terminated hereunder. An Owner and any occupant will be subject to the foregoing sanctions in the event of such an uncured violation. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

3.21 Procedure. Except with respect to the failure to pay Assessments, the Board will not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other occupant for violations of the Declaration, these Bylaws, or any rules and regulations of the Association, unless and until the following procedure is followed:

(a) Demand to Cease and Desist. Written demand to cease and desist from an alleged violation will be served upon the Owner responsible for such violation specifying:

- (i) The alleged violation;
- (ii) The action required to abate the violation; and

(iii) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of the Declaration, these Bylaws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

(b) Notice of Hearing. Within ninety (90) days of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice will contain:

- (i) The nature of the alleged violation;
- (ii) The time and place of the hearing, which time will be not less than ten (10) days from the giving of the notice;

(iii) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and

(iv) The proposed sanction to be imposed.

© **Hearing.** The hearing will be held in executive session of the Board of Directors pursuant to the notice and will afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if the officer, director, or other individual who delivered such notice enters a copy of the notice together with a statement of the date and matter of delivery. The notice requirement will be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction imposed, if any.

(d) **Additional Enforcement Rights.** Notwithstanding anything to the contrary in the By-Laws, the Association, acting through the Board, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs thereof, including reasonable attorneys fees actually incurred.

Article 4

Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, and Secretary/Treasurer, to be elected from among the members of the Board. The Board may appoint such other officers, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, and such officers shall have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary/Treasurer.

4.2 Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members, as set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.3 Removal. The Board, with or without cause, may remove any officer.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive

officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the 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.

4.6 Agreements, Contracts. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.10.

Article 5

Committees

5.1 General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution of the Board. Each committee shall operate in accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board of Directors.

Article 6

Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise established by resolution of the Board of Directors.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws.

6.3 Conflict. If there are conflicts between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, then the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration, By-Laws, and Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the Association, the annual report, and the minutes of meetings of the Members, the Board, and committees shall be

made available, at the office of the Association or at such other place within the Properties as the Board shall prescribe, for inspection by any holder, insurer or guarantor of a first Mortgage on a Lot, by any Member of the Association, or by the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Lot.

(b) **Rules for inspection.** The Board shall establish reasonable rules with respect to:

- (A) notice to be given to the custodian of the records;
- (B) hours and days of the week when such an inspection may be made; and
- (C) payment of the cost of reproducing copies of documents requested.

© **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association in furtherance of such director's duties as a director,

6.5 Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

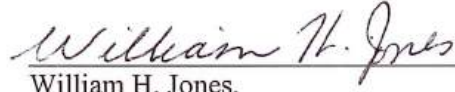
6.6 Amendment. Except as otherwise specifically provided herein, these By-Laws may be amended only upon a resolution duly adopted by the Board and approved by the affirmative vote or written consent, or any combination thereof, of Members holding two-thirds of the total votes in the Association.

If an Owner consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Owner has the authority to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant under the declaration without the written consent of Declarant or the assignee of such right or privilege.

[signature on following page]

IN WITNESS WHEREOF, I, being the incorporator of THE PINNACLE POINT LAND OWNERS' ASSOCIATION, have hereunto set my hand and seal this 18 day of August, 2004.



William H. Jones,
Incorporator

STATE OF SOUTH CAROLINA)
COUNTY OF PICKENS)

RESTRICTIVE COVENANTS AND ROAD
MAINTENANCE AGREEMENT APPLYING TO
PROPERTY KNOWN AS PINNACLE POINT

The undersigned, owner of property in the County of Pickens, State of South Carolina, containing 42.15 acres as shown on plat prepared by C. E. Shehan, Surveyor, dated April 18, 1989 and revised August 9, 1990, and 182.61 acres as shown on plat by Robert E. Threatt, Surveyor, dated December 18, 1996, hereby subjects the said Development to be known as Pinnacle Point Subdivision to the following restrictions as to use by whomsoever owned, to-wit:

1. All property within the tracts shall be Residential Property. No structures shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling not to exceed two and one-half stories in height, a private garage, guest house, and other non-commercial outbuilding such as horse barn and stable.
2. No noxious or offensive activity shall be carried on upon any of the property nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No business, trade, or commercial activity of any kind shall be conducted in any building or on any portion of any of the property.
3. No trailer, basement, shack, garage, barn or other outbuilding erected on the tract shall at any time be used as a residence temporarily, or permanently, nor shall any structure of a temporary character be used as a residence, except as permitted in paragraph 8.
4. All dwellings shall be single family residences and no dwelling shall be erected on any building site having less than 900 square feet of heated living area or floor space, exclusive of porches, carports or other areas. In the case of a one and one half (1 1/2) or two story or more dwelling on any lots subject hereto, the total area shall not be less than 1400 square feet. No building shall be located nearer than thirty (30) feet to any side or rear lot line, provided however, two tracts may be combined for the building of one dwelling on the line between the tracts. No building shall be located nearer to the right-of-way margin than thirty (30) feet.
5. No plots conveyed by the parties hereto shall be subdivided so as to create an additional building plot of less than 4 acres. Under no circumstances may an owner of any plot, sell, lease, or permit the use of any part of said plot as a way of entrance to any other property, outside the boundaries of Pinnacle Point without the written consent of the owner and/or developer. Pinnacle Point reserves the right, for itself and its successors and assigns, to use the roads within the Development for access to properties outside the Development, and also the right to grant a right of way over the said roads to such others as it may in writing designate.