

BY-LAWS
OF
GOVERNORS GRANT COMMUNITY ASSOCIATION

ARTICLE I
IDENTITY

Section 1. Name. The name of the corporation is Governors Grant Community Association (hereinafter referred to the "Association") which was created and exists as a non-profit corporation under the laws of the State of South Carolina.

Section 2. Office of Association. The office of the Association shall be at the offices of Governors Grant Development Group or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 3. Seal. The Seal of the Association shall bear the words "GOVERNORS GRANT COMMUNITY ASSOCIATION" or an appropriate abbreviation thereof.

ARTICLE II
DEFINITIONS

Section 1. General. All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in that certain DECLARATION OF COVENANTS AND RESTRICTIONS OF THE GOVERNORS GRANT COMMUNITY ASSOCIATION and Governors Grant Development Group, dated July 30, 1990, and recorded in the Office of the Clerk of Court for Lexington County, South Carolina ("Declaration"), certain provisions of which Declaration may be repeated in full or in part and may be renumbered as they appear herein.

ARTICLE III
MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership. Every Owner, including Governors Grant Development Group (hereinafter referred to as "the Declarant"), shall be a member of the Association. In the case of multiple ownership of any Residential Lot in Governors Grant, including by a partnership or corporation, the name of the Owners shall be submitted to the Company and/or the Association and only the designated Owners shall be entitled to access to the facilities of the Association as a member of the Association.

Section 2. Voting Rights. The Association shall have one (1) type of regular voting membership, and the Declarant, so long as it owns

one (1) lot shall have one (1) more vote than the total number of the other members. The members shall be all those Owners, including the Declarant, of Residential Lots. A Member other than the Declarant shall be entitled to one (1) vote for each Residential Lot he/she owns. If a Single-Family Dwelling Unit is constructed on more than one (1) Residential Lot, the Owner shall have one (1) vote and shall have no additional vote for each other Residential Lot comprising a part of the total consolidated home or building site so long as such lot remains a part of the consolidated site.

When any Property entitling the Owner to Membership as a Member of the Association is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants-in-common, tenants-in-partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same Property, then an instrument shall direct who shall cast the vote or votes, and it or a copy thereof shall be filed with the Secretary of the Association.

Section 3. Cumulative Voting Prohibited. Each Member shall be entitled to the number of votes he is ordinarily entitled to, based on his ownership of property and may cast that number of votes for each Director to be elected, but may not cast all of such votes for any one (1) Director, and all votes must be cast in whole numbers and not fractions thereof.

Section 4. Member to Have Power of Referendum in Certain Instances. Where specifically provided for herein, the Members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, whether the levy by the Association of any Special Assessment, and the addition or deletion of functions or services which the Association is authorized to perform. In the event that more than fifty percent (50%) of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions therefor.

In the event of a dispute as to whether a Referendum is required, the following action may be taken:

Within thirty (30) days after the adoption by the Directors of any action which is, in the opinion of the Members, subject to a Referendum, a petition signed by not less than forty

percent (40%) of the total Membership of the Association or signed by a majority of the Directors may be filed with the Secretary of the Association requesting that any such action be either repealed or submitted to a vote of the Members, and the Secretary shall thereafter within thirty (30) days send out the referendum to all Members.

Section 6. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association (as distinguished from the Referendum) shall be as follows:

The first time a meeting of the Members of the Association is called to vote on a particular action proposed to be taken by the Association, the presence at the meeting of Members or proxies entitled to cast more than fifty percent (50%) of the total vote of the Membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be a quorum requirement of twenty-five percent (25%) of the total vote of the members of the Association for such second meeting. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established by this ARTICLE III, Section 6, and any other requirements for such "duly called meeting" which may be established by the By-Laws of the Association. This provision shall not apply when the proposed action is the amendment of the Declaration and the quorum requirement established by Part Four, ARTICLE II, Section 2 of the Declaration shall govern in that instance. For the purpose of this Section 6, "proper notice" shall be deemed to be given when given to each Member not less than ten (10) days prior to the date of the meeting at which any proposed action is to be considered.

Section 7. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing; provided, however, that proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed to the Association by the Members.

ARTICLE IV MEETING OF MEMBERSHIP

Section 1. Place. All meetings of the Association Membership shall be held at the office of the Association, or at such other

place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting, and shall be open to all Owners.

Section 2. Membership List. At least ten (10) but not more than thirty (30) days before every meeting of the Association or election of directors, a complete list of Members of the Association shall be prepared by the Secretary. Such list shall be maintained in the office of the Association for at least ten (10) days prior to any meeting or election and ten (10) days after any meeting or election.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized or qualified to call the meeting, by mailing a copy of such notice, with proper postage affixed, at least ten (10) days (but not more than thirty (30) days) before such meeting to each Member entitled to vote thereat, to the last known address of the person or entity who appears as Owner in the Associations Records, on the first day of the calendar month in which said notice is mailed. Notice to one (1) of two (2) or more co-owners of a Residential Lot shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor-in-title. 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. Evidence of such notice having been given may consist of an Affidavit of Mailing evidencing that the requisite notice was posted at least ten (10) days prior to such meeting.

Section 4. Annual Meeting. The annual meeting shall be held at time set each year by the Board commencing in 1991 and from year to year thereafter with at least ten (10) days' notice thereof to each Member for the purpose of electing directors and transacting any other business authorized to be transacted by the Members. At the annual meeting, the Members shall elect new Members of the Board of Directors by plurality vote and in accordance with ARTICLE V of these By-Laws, and shall transact such other business as may properly be brought before the meeting.

Section 5. Special Meeting. Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President of the Association and shall be called by the President or Secretary of the Association at the request, in writing, of Members owning twenty-five percent (25%) or more of the total votes of the Members of the Association, which request shall state the purpose or purposes of the proposed meeting.

Section 6. Waiver and Consent. Whenever the vote of Members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of Members may be waived if a majority of Members who would have been entitled to vote on the action if such meeting were held, shall consent in writing to such action being taken; however, notice of such action shall be given to all Members unless all Members participated in the approval of such action.

ARTICLE V DIRECTORS

Section 1. Composition of the Board of Directors. The Association shall be governed by a Board of Directors initially consisting of three (3) Members. The number of Directors, in subsequent years, which shall not be less than three (3), shall be determined by the Members of the Board of Directors.

Section 2. Qualifications and Selection of Board Members. Directors may be, but need not be, Members of the Association. Each Member of each Membership Class shall be entitled to one vote. Cumulative voting shall be prohibited.

Section 3. Term of Office. The initial Members of the Board of Directors (who are appointed by the Declarant) shall be appointed until three successors are duly elected. Thereafter, at the first annual meeting, the Members shall elect one (1) Director for a term of one (1) year, and the Declarant will appoint one (1) Director for a term of two (2) years and one (1) Director for a term of three (3) years; and at each annual meeting thereafter the Members shall elect Directors to fill the expiring terms for a term of three (3) years; no Director other than those appointed by Declarant shall serve more than two (2) consecutive terms. In the event the Board is expanded as permitted by Section 1 of this ARTICLE, the term of new Members shall be staggered in similar fashion as directed by the Board.

Section 4. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association or by the Declarant if appointed by the Declarant. A successor may then and there be elected to fill the vacancy thus created. Should the Association fail to elect a successor, the Board of Directors may fill the vacancy in the manner provided in Section 5 below. Provided, however, that any Director removed by the Declarant shall be replaced by the Declarant.

Section 5. Vacancies on Directorate. If the Office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Members of the Board of

Directors, though less than a quorum, as defined in ARTICLE VII, Section 5 below, shall choose a successor or successors, at any regular or special meeting of the Board of Directors. Such replacement Member of the Board of Directors shall hold office for the balance of the unexpired term. Provided, however, the Declarant can appoint a replacement Director for any vacancy created by a Director appointed by the Declarant.

Section 6. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. No Director shall continue to serve on the Board of Directors should he be more than thirty (30) days delinquent in the payment as a Member of any assessment against his Lot; and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 7. Compensation. Directors may receive compensation for any service he may render to the Association, if approved by a two-thirds (2/3) majority vote of the Membership. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties. Nothing herein shall prevent the Director from receiving compensation for services rendered or products sold in the Corporation pursuant to an agreement approved by the other Directors.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Except as otherwise provided in Article V, nomination of the Members of the initial Board of Directors shall be made by the Declarant; thereafter, nomination for election to the Board of Directors by the Members shall be made by a Nominating Committee. Nominations may also be made by a petition of not less than forty percent (40%) of the Members in good standing submitting such nomination in writing to any officer or Director at least twenty-four (24) hours prior to the date and time set for the meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two (2) or more other people who may, but need not, be Members of the Association. The Nominating Committee shall be appointed by the Board of Directors to serve until the close of the 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 Director as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made in such categories of directorship as required by the provisions of ARTICLE V, Section 1 of these By-Laws.

Section 2. Election. Except for the appointments to the Board of Directors by the Declarant, election to the Board of Directors shall be by secret written ballot and shall be held at the annual meeting of the Members. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes for each category of directorship shall be elected. Cumulative voting is prohibited.

ARTICLE VII
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least once every six (6) months without notice, at such place and time as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Although not required, notice of such regular meeting may be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the date of such meeting. All meetings of the Board, including special meetings in accordance with Section 2 below, shall be open to all Members.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Members of the Board of Directors at least three (3) days' notice shall be given to all Members of the Board of Directors of the time, place and purpose of such meeting.

Section 3. Place of Meetings. Meetings of the Board of Directors shall be held in Lexington County or Richland County, South Carolina, whenever practical. However, this provision is in no way intended to invalidate in any way whatsoever meetings held somewhere other than Lexington County, South Carolina, so long as such meetings are proper in all other respects.

Section 4. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 5. Quorum. At all meetings of the Board of Directors, a majority of the Members of the Board of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Members of the Board of Directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors

there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for the purpose of determining a quorum.

Section 6. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Declaration, this Association's Articles of Incorporation, or these By-Laws, directed to be exercised and done by Owners. These powers and duties shall specifically include, but shall not be limited to, the matters hereinafter set forth.

Section 1. Powers. The powers of the Board of Directors shall specifically include, but shall not be limited to the following:

(a) to adopt and publish rules and regulations governing the use of the Common Properties, Restricted Common Properties, if applicable, and facilities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) to suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for such time as may be determined by the Board of Directors after notice to the Member and hearing before the Board of Directors for any infraction of rules and regulations;

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

(d) to declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be

absent from three (3) consecutive regular meetings of the Board of Directors; and

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

(f) to secure Officers and Directors Liability Insurance covering the Officers and Directors of the Association at the expense of the Association;

(g) to borrow money to meet the financial needs of the Association and to mortgage the property of the Association and to pledge the revenues of the Association as security for such loans made to the Association the proceeds of which loans shall be used by the Association in performing its authorized functions.

Section 2. Duties. The duties of the Board of Directors shall specifically include, but shall not be limited to the following:

(a) to cause to be kept a complete record of all its acts and corporate affairs;

(b) to supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment, special assessments, assessments for the use of limited common properties against each property ownership form as defined in the Declaration not later than the first calendar quarter in each year;

(2) send written notice of each assessment to every Owner subject thereto as soon as practicable after the fixing hereof; and

(3) enforce the lien rights against any property for which assessments or costs are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

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

that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) to procure and maintain adequate liability and hazard insurance on property owned by the Association in the form and amount required by the Declaration;

(f) to cause all officers or employees of the Association having fiscal responsibilities to be bonded, with fidelity bonds in the form and amount required by the Association, and the premium on such bonds shall be paid by the Association;

(g) to cause the Common Properties and Restricted Common Properties to be adequately maintained;

(h) to review and amend, if appropriate, the annual budget as prepared by the Treasurer in accordance with ARTICLE X, Section 8 hereof.

(i) to enforce the Restrictive Covenants and Rules and Regulations and if necessary, bring an action at law or in equity, against the Member to enforce same or recover damages resulting from the violations.

(j) to carry out and enforce the findings and directives (fines, etc.) of the ARB.

ARTICLE IX LIABILITY OF THE DIRECTORS

The Members of the Board of Directors, officer, employees, agents, managing agents or management firm (herein collectively referred to as "Agents") shall not be liable to the Owners or the Association 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 Agents and its agents or employees against all contractual or tort liability to others arising out of contracts made, actions performed or omissions by the Agents on behalf of the Association unless any such contract, action or omission shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Agents shall have no personal liability with respect to any contract made, action performed or omission by them on behalf of the Association. It is understood and permissible and shall not be deemed to be self dealing for the Association to contract with the Declarant or with corporations or other entities owned, controlled or affiliated with the Declarant. It is also intended that the liability of any Member arising out of any contract made, action taken or omission by the Agents or out of the aforesaid indemnity in favor of the

Agents shall be limited to such proportions of the total liability thereunder as his interest in the Common Properties and Restricted Common Properties bears to the interests of all Members in the Common Properties and Restricted Common Properties. Every agreement made by the Agents is made in the capacity only as an agent for the Members and shall have no personal liability thereunder (except as Members). Moreover, each Member's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Properties and Restricted Common Properties bears to the interests of all Members in the Common Properties and Restricted Common Properties.

ARTICLE X OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create, all of whom shall be Members of the Board of Directors. The Secretary and the Treasurer may be the same person.

Section 2. Election of Officers. The election of officers shall take place at the organization meeting of the Board of Directors following within ten (10) days after each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year and until their successors are chosen and assume office in their stead unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Appointive Officers. The Board of Directors may appoint Assistant Secretaries and Assistant Treasurers and such other officer 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 of Directors may from time to time determine.

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

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to

such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of appointive offices created pursuant to Section 4 of this ARTICLE.

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

President

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Owners and of the Board of Directors; shall see that orders and resolutions of the Board are carried out. He shall have executive powers and general supervision over the affairs of the Association and other officers. The President shall sign all leases, mortgages, deeds, contracts and other written instruments as required by resolution of the Board of Directors. He shall perform all of the duties incident to his office or which may be delegated to him from time to time by the Board of Directors.

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 from time to time by the Board of Directors.

Secretary

The Secretary shall issue notices of all Board of Directors' meetings and all meetings of the Members and shall attend and keep the minutes of same. The Secretary shall have charge of all of the Associations' books, records and papers, except those kept by the Treasurer. The Assistant Secretary shall perform duties of the Secretary when the Secretary is absent.

Treasurer

The Treasurer shall:

(a) have custody of the Association's funds and securities, except the funds payable to any management firm, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such insured depositories as may be designated from time to time by the Board of Directors;

(b) disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association;

(c) collect the assessments and maintenance fees and shall promptly report the status of collections and of all delinquencies to the Board of Directors;

(d) give status reports to potential transferees on which reports the transferees may rely;

(e) cause an annual audit of the Association to be completed in a timely fashion by a certified public accountant selected by the Board of Directors and the results of such audit shall be reported to the Board of Directors and the Members;

(f) in conjunction with the Association's accountant and such other persons as the Board of Directors may designate, shall prepare an annual budget for consideration, modification, if appropriate, and ultimate approval by the Board of Directors;

(g) the duties of the Treasurer shall be performed by the Assistant Treasurer when the Treasurer is absent;

(h) the duties of the Treasurer or Secretary may be fulfilled by a management firm employed by the Association, in which event such management firm shall have custody of the books of the Association.

ARTICLE XII

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 Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual, special assessments and assessments for the use of limited common areas which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due

shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late charge of one and one-half percent (1 1/2%) of the delinquent payment amount per month from the due date until paid or such other amount as set by the Board of Directors from time to time, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs of collection, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or Restricted Common Properties or abandonment of this property by which he is entitled to Membership.

ARTICLE XIV
COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall designate one or more committees or individuals which, to the extent provided in the resolution designating said committee, individual or individuals, shall have the powers of the Board of Directors in the management of affairs and business of the Association. The committee, committees, individual or individuals shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required.

ARTICLE XV
FISCAL YEAR

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

ARTICLE XVI
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: GOVERNORS GRANT COMMUNITY ASSOCIATION, or an appropriate abbreviation thereof.

ARTICLE XVII
INDEMNIFICATION

The Association and Owners shall indemnify every Director and every officer, his heirs, executors, and administrators, against all losses, costs and expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or

officer of the Association, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE XVIII
PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration or these By-Laws.

ARTICLE XIX
AMENDMENTS

Section 1. These By-Laws may be amended at a regular or special meeting of the Members by majority of the vote at a duly called meeting at which a quorum exists as provided in Section 6 of ARTICLE III hereof and provided that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

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

Section 3. Declarant reserves the right to amend from time to time these By-Laws without the vote of members, which amendment shall include, but not be limited to, the right to correct scribes errors or to conform with the requirements of VA, FHA, FHLMC, FNMA, State Housing Authority or insurers or purchasers of mortgage loans.

IN WITNESS WHEREOF, we, being all of the organizing Members and Directors of Governors Grant Property Owners' Association, Inc. have hereunto set our hands this 30 day of July, 1990.

WITNESSES:

M. Jason Smith
Deborah A. Bauer

GOVERNORS GRANT PROPERTY OWNERS' ASSOCIATION, INC.

By: [Signature]

Its: MANAGING PARTNER

MOTION TO AMEND THE BY-LAWS
OF
GOVERNORS GRANT COMMUNITY ASSOCIATION

The following motion to Amend the By-Laws of the Governors Grant Community Association was made by the Board of Directors of the Association at the annual meeting of the Association on January 16, 2018:

1. **Reduction in Quorum for Meeting of Association:**

Motion to amend the By-Laws to reduce the quorum required to take action at a meeting of the association from the current fifty (50%) and twenty-five (25%) percent of the members of the association to ten (10%) percent of the Members of the Association as follows:

Section 6. QUORUM REQUIRED FOR ANY ACTION AUTHORIZED AT REGULAR OR SPECIAL MEETINGS OF THE ASSOCIATION. The quorum required for any action which is subject to a vote of the members at any meeting of the association shall be the presence at the meeting of members or proxies or a combination thereof entitled to cast ten (10%) percent of the total vote of the Membership shall constitute a quorum. Unless otherwise provided any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established by this Article III, Section 6 and any other requirements for such duly called meetings which may be established by the Bylaws of the Association.

This quorum set forth herein shall not apply in the following situations:

- A. Matters requiring approval pursuant to a referendum pursuant to Section 4 of Article III herein above;
- B. Those matters designated in Article III Section 8 which require approval by a the specified majority of the membership of the association.; and
- C. Amendments to the Declaration in which case the quorum requirement established by Part Four, ARTICLE 11, Section 2 of the Declaration shall govern.

2. **Clarification Regarding Proxies:**

Motion to amend Article III Section the By-Laws to specify that proxies may only be given to another Member of the Association and to allow for electronic proxies provided they are delivered to the Secretary prior to the meeting as follows:

Section 7 Proxies. All Members of the Association may vote and transact business-at any meeting 'of the Association by proxy authorized in writing, provided, however, that

proxies may only be give to another Member of the Association and may not be granted to or held by any Tenant or other party who does not meet the definition of Member as set forth in Article III Section 1 herein above. Proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed to the Association by the Members.

The proxy may be submitted electronically to the Secretary of the Association by email or fax at least forty eight (48) hours prior to the meeting at which the proxy is to be used. Otherwise the original written proxy must be presented at the Meeting.

3. Establishment of Voting Requirements for Approval of Certain Matters:

Motion to amend the By-laws to add Section 8 to Article III to establish the voting and majority requirements for the approval of various matters as follows:

Section 8. Special Requirements for the Approval of Specific Matters: Approval of the following action, whether by referendum or by vote at a meeting of the association shall require the approval of eighty (80%) percent of the total vote of the Membership, as defined in Article III Sections 1 and 2 herein above:

- A. To approve the sale or transfer of any real property or common area of the association;
- B. To amend the Covenants and Restrictions imposed on the Subdivision by the Declarant as recorded in the Office of the Register of Deeds for Lexington County;
- C. To adopt any amendment to the By-Laws which would adjust or modify the voting requirements set forth herein;
- D. To modify the tax designation of the association as a non-profit corporation;
- E. To dissolve the Association.
- F. To execute an assignment to creditors of the assets of the association;
- G. To file bankruptcy
- H. To impose a special assessment in excess of Five Hundred and No/100 (\$500.00) for any calendar year.

Further moved that the Articles of the Association be amended as necessary to specify the foregoing voting requirements and to authorize the President and Secretary of the Association to execute and submit the Amended Articles for filing in the Office of the Secretary of State for the

State of South Carolina..

4. **Provision for Electronic Notification of Meeting Upon Written Request of Member**

Motion to amend Article VI Section 3 of the By-laws to add Section 8 to Article III to provide for electronic (email) notice of meetings upon the written authorization of the Member requesting notification by email or other electronic means.

Section 3. Notice of Meetings. Notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized or qualified to call the meeting. Except as provided herein below, Notice shall be given in writing, by mailing a copy of such notice, with proper postage affixed, at least ten (10) days (but not more than thirty (30) days) before such meeting to each Member entitled to vote there at, to the last known address or the person or entity who appears as Owner in the Associations Records, on the first day of the calendar month in which said notice is mailed. Notice to one (1) of two (2) or more co-owners or a Residential Lot shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor-in-title. 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. Evidence of such notice having been given may consist of an Affidavit of Mailing evidencing that the requisite notice was posted at least ten (10) days prior to such meeting.

Notice by email or other electronic means: Members of the Association may submit a written request to the Secretary of the Association to receive notices from the Association by email or other electronic means. The request must contain the expressed written authorization of all Owners of the Lot for the Association to end notice by email or other electronic means and must set forth the email address to which the notice is to be directed. The request must further contain an acknowledgment that the electronic notice will constitute the only notice provided to the Member by the Association and a waiver of the Member of any right to object to the delivery of the notice by the electronic means identified by the Member. Upon receipt of the foregoing request and written authorization by the Member, notices may be given by email or other electronic means and such notice shall meet the requirements of this section until such time as the Member notified the Association in writing that the election to receive electronic notifications has been terminate.

The motions were made by the Board of the Association and did not require a second.

The foregoing motion was approved by a majority vote of the members of the Association present at the Annual Meeting of the Association on January 16, 2018.

Governors Grant Community Association

By: Kristina June
Secretary

ATTESTED:

By: Victoria Skane
President

Pursuant to Article XIX Section 3 of the By-Laws the undersigned Declarant hereby adopts and approves the foregoing amendments to the By-Laws of the Governors Grant Community Association.

Governors Grant, LLC

By: W. Russell Drake
Its: Manager