

**BY-LAWS OF
AVALON HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

The name of the Corporation is AVALON HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Corporation shall be the address of the registered agent, but meetings of Members and Directors may be held at such places within the state of South Carolina, County of LEXINGTON as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the AVALON HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "The Properties" shall mean and refer to all property including lots and common areas, as are subject to the Declaration as defined herein, and which are described in Schedule A together with any additional phases that may be developed pursuant hereto.

Section 3. "Common Areas" shall mean and refer to those areas of land shown on any subdivision map of The Properties or by any other means so designated. Such areas are intended to be devoted to the common use and enjoyment of Members of the Association as herein defined and are not dedicated for use by the general public.

Section 4. "Lots" shall mean and refer to any plot of land with such improvements as may be erected thereon intended and subdivided for dwelling home use, shown on any subdivision map of The Properties, but shall not include Common Areas as herein defined.

Section 5. "Owner" shall mean and refer to the record owner, whether one of more persons or entities, of the fee simple title of any lots, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of the foreclosure. Said term "Owner" shall also refer to the heirs, successors, and assigns of any Owner.

Section 6. "Developer" shall mean and refer to a future Corporation organized and existing under and pursuant to the laws of the State of South Carolina, its successors and assigns, in the Development of the Properties.

Section 7. "Member" shall mean and refer to all Owners who are Members of the Association, as provided in Article IV of the Declaration.

Section 8. "Development" and "Project" and "Community" shall mean and refer to AVALON SUBDIVISION (Plat Book 261, at page 166) and/or any amendment or modification thereof.

Section 9. "Plans" and "Specifications" and "Elevations" and "Exterior Designs" and such like terms shall refer to and encompass the plans, specifications, elevations, and designs as well as set backs, locations, etc. contained hereinafter in this document of in the Declaration of Covenants, Restrictions, Easements, Charges and Liens for AVALON SUBDIVISION dated August 23, 1993 and recorded August 23, 1993 in the Office of the RMC for Lexington County in Record Book 2667, at page 169, or in the Declaration of Covenants, Restrictions and Easements for AVALON SUBDIVISION dated August 11, 1993, and recorded August 12, 1993 in the Office of the RMC for Lexington County in Record Book 2656, at page 120 and/or

any amendment or modification thereof. Also to include Avalon Subdivision Phase 7 recorded November 17, 2006 in the Office of the RMC for Lexington County in Record Book 11544, at page 302.

Section 10. "Declaration" shall mean and refer collectively to the Declaration of Covenants, Restrictions, Easements, Charges and Liens for AVALON SUBDIVISION dated August 23, 1993, and recorded August 23, 1993 in the Office of the RMC for Lexington County in Record Book 2667, at page 169, and also any amendment or modification thereof or in the Declaration of Covenants, Restrictions and Easements for AVALON SUBDIVISION dated August 11, 1993, and recorded August 12, 1993 in the Office of the RMC for Lexington County in Record Book 2656, at page 120, and also any amendment or modification thereof. Also to include Avalon Subdivision Phase 7 recorded November 17, 2006 in the Office of the RMC for Lexington County in Record Book 11544, at page 302.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members was held on April 27, 1996. Each subsequent regular annual meeting will be held in the same week of the same month each year thereafter, at an hour to be determined by the Board of Directors. At this regular Annual Meeting, the Treasurer will present the Treasurer's Report. At this regular annual meeting the Board of Directors will also accept ballots for any positions available on the Board. This regular annual meeting cannot be held on a legal holiday.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the President of the Board of Directors or a written request of Members who are entitled to vote one-fourth of all of the votes Membership.

Section 3. Notice of Meetings. Written notice of the Annual meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by distributing a copy of such notice, at least fifteen days before such meeting, to each member entitled to vote thereat, addressed to the Members' address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of the special meeting, the purpose of the meeting. Notice shall also be made by posting the time, date and location of meetings at the front entrance to The Property a minimum of seven days prior to the Meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth of the votes of Class A Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five Directors, who shall be Members of the Association.

Section 2. Term of Office. The Members shall elect successor Directors for terms of two (2) years each.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at a Special Meeting. In the event of a death, resignation, or removal of a Director, his/her successors shall be selected by the remaining Members of the Board to fill this role until the next Annual Meeting at which time a Member will be elected by the Members to fill the remainder of the unexpired term.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred for the performance of his duties as approved by the Board.

Section 5. 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 all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. Nomination may also be made from the floor of the annual meeting. The nominating committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two more Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Directors, to serve from the close of such annual meeting until the close of the next annual meeting and such point shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nomination may be made from among Members only.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. 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 these By-laws and the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly. These meetings will be advertised 48 hours in advance of each meeting with a sign placed at the entrance to The Property. 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.

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 Directors, after not less than three days notice to each Director. These meetings will be advertised 48 hours in advance of each meeting with a sign placed at the entrance to The Property.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act of decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which the Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, or a period not to exceed sixty days for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three consecutive regular meetings of the Board of Directors unless such absence shall have been excused by a majority of the Board.
- (e) Employ a manager, an independent contractor, or such other employees as they may deem necessary, to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth of the Class A Members who are entitled to vote;
- (b) 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 annual assessments against each lot at least thirty days in advance of each annual assessment;
 - (2) Send written notice of each assessment to every owner subject thereto at least thirty days in advance of each annual assessment;
 - (3) Either foreclose the lien against any property and/or initiate an action at law against the owner personally obligated to pay any assessment not paid in accordance with the Declaration for which assessments are not paid within sixty (60) days from the original notice of assessment;
- (d) Issue, or 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 an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) Cause all officers or employees having physical responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The offices of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may, from time to time, by resolution create.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The Officers of this Association shall be elected annually by the Board, and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise shall become disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

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

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices. No person shall simultaneously hold more than one office except in the case of special offices created pursuant to Section 4 of this Article.

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

- (a) **President.** The President shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- (b) **Vice President.** The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing Members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- (d) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by Resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by the Finance Committee of the Association at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members. The Treasurer shall take all steps to ensure all bills are paid in a timely manner.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Board as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, or other reasonable circumstances, be subject to inspection by any Member and by any holder, insurer, or guarantor of any first mortgage. The Declaration, the Articles of Incorporation and the By-laws of the Association shall be available for inspection by any Member, lender, holder, insurer, or guarantor of any first mortgage at the principal office of the Association, where copies may be purchased at reasonable cost.

Upon request, any owner or the holder, insurer, or guarantor of any first mortgage on any lot, shall be entitled to a financial statement showing the statement of operations and the balance sheet of the Association for the immediately preceding fiscal year.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay the Association annual and special assessments, which are secured by a continuing lien on the property against which the assessment is made. Any assessments not paid by the designated due date shall be delinquent. If the assessment is not paid within thirty (30) days from the date of the delinquency, the assessment shall bear interest from the date of delinquency at the rate of 8% per annum. In addition, the Association shall either initiate legal action against the owner personally obligated to pay any assessments not paid in accordance with the Declaration and/or foreclose the lien against the lot or lots. In the event judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. No owner may waive or otherwise escape liability for the assessment provided for herein by non use of the Common Area or abandonment of his lot.

ARTICLE XII

CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: "AVALON HOMEOWNERS ASSOCIATION, INC.".

ARTICLE XIII

AMENDMENTS

Section 1. These By-laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of quorum of Members present in person or by proxy.

Section 2. In the case of any conflict of any Articles 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.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of July and end on the 30th day of June of every year.

IN WITNESS WHEREOF we, being all of the Directors of AVALON HOMEOWNERS ASSOCIATION, INC. have hereunto set our hands and seals on this _____ day of _____, 2011

_____	_____ ,
_____	_____
