

BYLAWS OF

NATURE'S WATCH HOMEOWNERS ASSOCIATION, INC.

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the Office of the Register of Deeds for Pickens County, South Carolina, or which may be deeded to the Association and designated in said deed as "common properties". "Common Properties" shall also include the Areas of Common Responsibility as defined in 1.3 k).

- k) "Areas of Common Responsibility" is defined as two (2) deeded parcels, one consisting of the front entrance area and attached detention pond and the second consisting of the second detention pond.
- l) "Detention pond" is an area where stormwater is stored or held temporarily. The water then slowly drains when water levels recede. In the case of the two (2) detention ponds in Nature's Watch subdivision, the drainage should occur within 72 hours of the end of the rain event.
- m) "Director" shall refer to the member elected to represent a household on the Board of Directors as provided in Section 3.1 b).
- n) "Household" shall refer to the collective of all Property Owners over an individual Lot as shown on the Plat recorded in **Plat Book 594 at Page 94** at the Office of the Register of Deeds for the County of Pickens, State of South Carolina. In the event that multiple Lots are owned by the same Property Owners, ownership of said lots shall be combined and treated as ownership over an individual Lot for purposes of determining "Household".

Association/Board of Directors: Membership, Meetings, Quorum, Voting, Proxies

2.1 Membership. Membership in the Association is set forth in the Covenants, which provides that each Owner shall be a member of the Nature's Watch Homeowners Association. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner and becomes a lien upon the property against which such assessments are made as provided in the Covenants. The membership rights of any person whose interest in the Properties is subject to assessments, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Board during the period when the assessments remain unpaid, but upon payment of such assessments, his rights and privileges shall be automatically restored.

2.2 Place of Meetings. Meetings of the Association shall be held at a suitable place convenient to the Members.

2.3 Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Subsequent regular annual meetings shall be set by the Board to occur at least fifteen (15) business days before, but not more than sixty (60) business days after, the close of the Association's fiscal year on a date and time set by the Board of Directors.

2.4 Special Meetings. Any member may call special meetings through the President.

2.5 Notice of Meetings. Written or printed notice stating the day and hour of any regular meeting of the Members shall be delivered by regular First-Class Mail to each Member entitled to vote at such meeting, not less than thirty (30) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the Officers or persons calling the meeting. Five (5) days prior to the meeting, a sign with meeting information shall be placed near the entrance to Nature's Watch as a reminder.

In the case of a special meeting or when required by law or these Bylaws, the purpose for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. Notices of a special meeting given by regular First-Class Mail shall be mailed no later than seven (7) days prior to the time set for the meeting.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at any meeting by a Member in person or by proxy shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7 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.

2.8 Voting Rights. For all matters to be decided by a vote of the members of the Association, each Property Owner, regardless of owning one or multiple lots, will be entitled to cast one vote. Matters to be decided by a vote of the members includes, but is not necessarily limited to, Article I, paragraph 1.5 of the Covenants and Restrictions.

2.9 Proxies. At all meetings of the Members, Members may vote in person or by proxy. Vote by proxy shall be of limited authority. 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 or any Director by personal delivery, United States mail, or email. Except as otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled 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 proxy shall prevail or if dated as of the same date, both shall be deemed invalid. No proxy shall be valid more than Sixty (60) Days after its execution unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member's lot.

2.10 Quorum. Except as otherwise provided in these Bylaws or in the Covenants, the presence in person, by remote participation (refer to 2.17), or by proxy of Members holding at least seventy-five (75) percent of the total vote of the Association shall constitute a quorum at all meetings of the Association. If a quorum is not present at any meeting when initially called, then the meeting may be adjourned and reconvened within thirty (30) days after the date originally called and the quorum requirement shall be reduced to sixty (60) percent of the total vote of the Association.

2.11 Majority. As used in these Bylaws, the term "majority" shall mean those votes totaling fifty (50) percent of the total numbers plus one (1). If fifty percent includes a fraction of a whole, that number will be rounded up to the next whole number, then plus one. (For example, fifty percent of eleven (11) Members would be five and one half (5.5). That number would be rounded up to six (6), then plus one to make seven (7) votes necessary for a majority.)

2.12 Conduct of Meetings. The President shall preside over all meetings of the Association. The Secretary shall keep minutes of the meeting and record in a book all resolutions adopted at the meeting, as well as all transactions occurring at the meeting. Treasurer shall be available to address matters involving the Association's finances.

2.13 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.

2.14 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum (pursuant to 2.10) 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 an 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) days 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.

2.15 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. Any Director may be reimbursed for authorized expenses incurred on behalf of the Association.

2.16 Open Meetings. All meetings of the Board shall be open to all Members. Any Member may attend and speak. Unless otherwise agreed, each Member speaking should limit his/her time to five (5) minutes.

2.17 Remote Participation. A Member or Members of the Board may participate in a meeting by means of communications equipment which allows them to hear and be heard clearly by all participants. Such participation shall constitute presence in person at such meeting.

Board of Directors: Number, Meetings, Powers

3.1 Composition and Selection.

- a) Governing Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote.
- b) Number of Directors. The Board of Directors shall consist of one (1) Property Owner from each Household as referenced in section 1.3 n).
- c) Term of Office. Each Director shall remain until change of ownership of property.

3.2 Meetings.

- a) 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 annually.
- b) Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by the majority of the Directors.

Notices sent by First-Class mail shall be deposited into a United States mailbox at least seven (7) business days before the time set for the meeting. Notices given by personal delivery shall be delivered at least seventy-two (72) hours before the time set for the meeting.

- c) Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be 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.

3.3 Powers and Duties.

- a) 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 Covenants or these Bylaws directed to be done and exercised exclusively by the Members or the Membership generally.

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:

- I. preparation and adoption of budgets in which there shall be established the contribution of each Property Owner to the expenses of the Association;
- II. making assessments, if necessary, to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment, if any;
- III. providing for the operation, care, upkeep, and maintenance of the Areas of Common Responsibility;
- IV. collecting any assessments, depositing the proceeds thereof in a bank depository, which it shall approve, and using the proceeds to operate the Association;
- V. making and amending rules and regulations for approval by the Members of the Association and in accordance with the quorum requirement;
- VI. opening of bank accounts on behalf of the Association and designating a two (2) signatory requirement. The President, Treasurer and Secretary will be authorized; two (2) of the three (3) signatures will be required;

- VII. making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Covenants and these Bylaws after damage or destruction;
 - VIII. enforcing by legal means the provisions of the Covenants or these Bylaws, and bringing any proceeding that may be instituted on behalf of or against the Property Owner(s) concerning the Association;
 - IX. obtaining and carrying insurance against casualties and liabilities and paying premium cost thereof;
 - X. paying the cost of all services rendered to the Association or its Members not chargeable directly to specific Property Owners;
 - XI. 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;
 - XII. making available to prospective purchaser of a Lot, any current Property Owner, any first mortgagee, and the holders, insurers, and guarantors of a first mortgage on any Lot, current copies of the Covenants, the Articles of Incorporation, the Bylaws, and all other books, records, and financial statements of the Association;
 - XIII. permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties; and
 - XIV. assisting in the resolution of disputes between Property Owners and others without litigation.
- (b) Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:
- I. accounting and controls should conform to generally accepted accounting principles;
 - II. cash accounts of the Association shall not be commingled with any other accounts;
 - III. no remuneration shall be accepted by the managing agent, should a managing agent ever be retained, 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; anything of value received shall benefit the Association;
 - IV. any financial or other interest that the managing agent, should a managing agent ever be retained, may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;
 - V. financial reports shall be prepared for the Association at least annually containing:

- 1) an income statement reflecting all income and expense activity for the preceding period;
 - 2) a statement reflecting all cash receipts and disbursements for the preceding period;
 - 3) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
 - 4) a balance sheet as of the last day of the preceding period; and
 - 5) a delinquency report listing all Property 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.
- VI. 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.
- VII. At any time, upon written request of any Member or Director, or any holder, guarantor or insurer of any first mortgage on a Lot, the Association will provide an annual report and/or a financial statement certified by an Officer.
- (c) Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Areas of Common Responsibility. The Board may also borrow money for the purpose of modifying, improving, or adding amenities.
- (d) Rights of the Association. With respect to the Areas of Common Responsibility, and in accordance with the Articles of Incorporation and the Covenants, the Association shall have the right to contract with any person for the performance of various duties and functions. 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 workers' compensation insurance, if applicable, as determined in the sole discretion of the Board.
- (e) Enforcement. A Property Owner who wishes to report a violation by another Property Owner(s) must provide a notice of complaint to one of the Officers citing the alleged violation. An investigation shall be done by 2 of the Officers. If no violation is found, a notice shall be sent to the Property Owner who made the report explaining that an investigation was completed and no violation was found. The original Property Owner then has the right to pursue action outside the Association in accordance with ARTICLE IV, Subsection 4.3 in the Declaration of Covenants and Restrictions of Nature's Watch Subdivision.
- a. Notice and Right to Hearing. If a violation is found to exist, a notice will be sent to the Property Owner with the alleged violation, including the details of the violation, the name of the person originating the complaint, and a request for the Property Owner to correct the violation. The alleged offender may either correct

the violation, with no further action necessary on the part of the Board, or request a hearing in front of the Board. The request for a hearing must be received within ten (10) business days after the notification was sent.

- b. Waiver. The Board will strive to reach a solution with the Property Owner in violation without instituting any legal action. The Board may issue a waiver if the Property Owner can present a reason the violation cannot be fixed within ten (10) business days.
- c. Arbitration. If no resolution can be reached, the parties shall arrange for arbitration, which shall be binding. There can be no further action after binding arbitration.
- d. Record. The Secretary will maintain a record of the proceedings, beginning with the original complaint through the final resolution.
- e. Fines and Sanctions. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or any person's right to use the Common Area for violation of any duty imposed under the Covenants or these Bylaws duly adopted hereunder; provided, however, nothing herein shall authorize the Association to limit ingress and egress to or from a Lot. In the event that any occupant, guest or invitee of a Lot violates the Covenants or the Bylaws, and a fine is imposed, the fine shall first be assessed against the occupant with notice to the Owner; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Covenants or Bylaws shall not be deemed a waiver of the right of the Board to do so thereafter. Nothing herein shall preclude the Board from seeking injunctive relief in addition to the imposition of reasonable fines.
- f. Right to Cure. The Board shall suspend any proposed sanction if the violation is cured within the ten (10) business day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.
- g. Hearing. If a hearing is requested within the allotted ten (10) business day period, the hearing shall be held in front of the Board affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the Officer or Director who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.
- h. Additional Enforcement Rights. Notwithstanding anything to the contrary in the Bylaws, the Association, acting through the Board, may elect to enforce any provision of the Covenants or these Bylaws 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 attorney's fees actually incurred.

Officers

- 4.1 Officers. The Officers of the Association shall be a President, a Secretary, and a Treasurer. Each of the Officers shall be elected from among the Members. No two (2) Officers shall be from the same Household.
- 4.2 Election, Term of Office, and Vacancies. The Officers of the Association shall be elected every 2 years by Members of the Association. A Member may serve as an Officer for multiple consecutive terms.
- 4.3 Removal. Any Officer may be removed by the Board upon a two-thirds (2/3) vote of the Members.
- 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. The Secretary maintains the Association's meeting minutes and official records, reviewing and updating documents as required and ensuring they are stored safely and accessible to Members.
- 4.5 Resignation. Any Officer may resign at any time by giving written notice to the Board of Directors, the President, the Secretary or the Treasurer. Such resignation shall take effect on the date of receipt, or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.
- 4.6 Agreements, Contracts, Deeds, Leases, Checks, Etc. 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. (Refer also to 3.3 a) VI.)
- 4.7 Compensation. Compensation of Officers shall be subject to the same limitations as compensation of Directors under Section 2.15).

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.
- 5.2 Architectural Committee. In addition to any other committees that may be established by the Board pursuant to Section 5.1, the Board may appoint an Architectural Committee consisting of three (3) persons.

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 Rules of Meetings. The Association will develop Rules of Order that will govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Covenants, or these Bylaws.
- 6.3 Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles of Incorporation, the Covenants and these Bylaws, they shall prevail in that order.
- 6.4 Books and Records.
- a) Inspection by Directors, Members and Mortgagees. The Covenants, Bylaws, and Articles of Incorporation, any amendments to the foregoing, the annual report, and the minutes of meetings of the Members, the Board, and committees shall be made available for inspection by any Director or Member, any holder, insurer or guarantor of a first mortgage on a Lot, or by the duly appointed representatives of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Lot. The right of inspection by a Director or Member includes the right to make extracts and copies of relevant documents at the expense of the Association if in furtherance of such Director's or Member's duties.
 - b) Rules for Inspection. The Board shall establish reasonable rules with respect to:
 - 1) notice to be given to the custodian of the records;
 - 2) hours and days of the week when such an inspection may be made; and
 - 3) payment of the cost of reproducing copies of documents requested.
- 6.5 Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States Regular First-Class mail. It is each Member's responsibility to keep a current mailing address on file with the Secretary.
- 6.6 Amendment.
- a) By Owners. Except as otherwise specifically provided herein, these Bylaws, or any specific clause therein, may be amended at a regular or special meeting of the Members, by a vote of at least **two-thirds (2/3)** of all votes present at a duly held meeting of the Members at which a quorum is present in person or by proxy.
 - b) By Board of Directors. These Bylaws, or any specific clause therein, may be amended at a regular or special meeting of the Board of Directors, by a vote of at least **two-thirds (2/3)** of all votes present at a duly held meeting of the Board of Directors at which a quorum is present in person or by proxy.
 - c) If a Property Owner consents to any amendment to the Covenants or these By-laws, it will be conclusively presumed that such Property Owner has the authority to consent and no contrary provision in any mortgage or contract between the Property Owner and a third party will affect the validity of such amendment.

Liability and Indemnification

7.1 Liability of the Association. No Member shall be liable for a greater fraction of a debt or liability of the Association than represented by the assessments payable by such Member. All business correspondence of the Association and all contracts executed by the Association shall contain the following statement:

“Nature’s Watch Homeowners Association, Inc. is a nonprofit corporation established pursuant to the laws of the State of South Carolina. No Member thereof shall be liable for a greater fraction of a debt or liability of the Association than represented by the assessments payable by such Member.”

7.2 Liability of Directors and Officers. No Director or Officer of the Association shall be liable to any Member for any decision, action, or omission made or performed by such Director or Officer in the course or his/her duties, unless such Director or Officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Covenants or these Bylaws.

7.3 Indemnification of Directors and Officers. The Association shall indemnify and defend each Director and Officer of the Association for any liability claim imposed against him/her by reason of his/her position or decision, action or omission as a Director or an Officer of the Association if all of the following conditions are satisfied:

- a) such Director or Officer is not required to bear such liability by the terms of the laws of South Carolina, the Covenants, or these Bylaws;
- b) such Director or Officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same; and
- c) such Director or Officer cooperates with the Association in defending against the claim.

The expense of indemnifying a Director or an Officer shall be common expense and shall be borne by all members, including such Director or Officer, equally.

IN WITNESS WHEREOF, NATURE’S WATCH HOMEOWNERS ASSOCIATION, INC. has caused this instrument to be executed this 18 day of August ~~2020~~ 2021 pursuant to a resolution duly adopted by its Board of Directors. *fnw*

WITNESS:

[Signature]
WITNESS #1

NATURE’S WATCH HOMEOWNERS ASSOCIATION, INC.

BY: *Frances M. Widdett*

TITLE: *Secretary*

[Signature]
WITNESS #2

