

STATE OF SOUTH CAROLINA
COUNTY OF GREENWOOD

BYLAWS OF NEWPORT PROPERTY OWNERS
ASSOCIATION, INC. (Declaration recorded in Deed Book
1002 at Page 263)

These BYLAWS OF NEWPORT PROPERTY OWNERS ASSOCIATION, INC. (the “Bylaws”) are made on the Execution Date (hereinafter defined) by the Board of Directors (the “Board”) of the Newport Property Owners' Association (the “Association”).

WHEREAS, SCN Newport Land Development Company, LLC, (the “Declarant”) did record that certain Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Newport, dated October 12, 2006, and recorded October 17, 2006, in the Office of the Clerk of Court for Greenwood County in Deed Book 1002 at Page 263 (as further amended and supplemented the “Declaration”); and

WHEREAS, the Declarant never adopted Bylaws for the Association after incorporation;
and

WHEREAS, the Declarant has abandoned, relinquished, and voluntarily released all its rights reserved to it in the Declaration; and

WHEREAS, the Board of Directors believes it to be in the best interest of the Association to adopt the following Bylaws pursuant to the South Carolina Nonprofit Corporation Act (S.C. Code Ann. § 33-31-206), and to record these Bylaws pursuant to the South Carolina Homeowners Association Act (S.C. Code Ann. §§ 27-30-110 to -170).

NOW THEREFORE, in accordance with the foregoing, the Association does hereby adopt and record the following Bylaws for Newport Property Owners Association, Inc.

BYLAWS OF NEWPORT PROPERTY OWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

These are the Bylaws of the **NEWPORT PROPERTY OWNERS ASSOCIATION, INC.**, a South Carolina non-profit corporation (the "Association"). The principal office of the Association shall be located at PO Box 49214, Greenwood, South Carolina, 29649, but meetings of Members and Directors may be held at such places as may be designated by the Board of Directors from time to time.

ARTICLE II
DEFINITIONS

The capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Newport, dated October 12, 2006, and recorded in the Office of the Register of Deeds for Greenwood County, South Carolina in Book 1002 at Page 263 (as the same may be amended, supplemented or modified from time to time, the "Declaration"). The Declaration is incorporated herein by this reference and made a part hereof.

ARTICLE III
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to (i) enforce the Declaration, (ii) provide for maintenance, preservation, and architectural control of the Property described in the Declaration, including the Lots and Common Area, and (iii) to promote the health, safety and welfare of the Owners within Newport and any additions thereto as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

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a) Exercise all of the powers and privileges and to perform, or delegate to an appropriate person or entity the authority to perform, all of the duties and obligations of the Association, including the establishment and amendment of the Rules and Regulations of the Association and the use and maintenance of the Common Area, as set forth in the Declaration;

b) Fix, levy, collect and enforce payment by any lawful means, all Assessments pursuant to the terms of the Declaration; pay all expenses in connection therewith; and pay all office and other expenses incident to the conduct of the business of the Association, including all license fees, taxes, and governmental charges levied or imposed against the Property;

c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property including, but not limited to the Common Area, as determined advisable by the Board of Directors;

d) Borrow money, mortgage, pledge, deed in trust, or hypothecate any and all of its real or personal property including, but not limited to the Common Area, as security for money borrowed or debts incurred; provided that any such borrowing of money, mortgage, pledge, deed in trust or hypothecation shall have been approved by the affirmative vote of the holders of not less than two-thirds (2/3) of the total votes of the Membership;

e) Annex additional residential property into Newport; provided that any such annexation shall have been approved by the affirmative vote of the holders of not less than a majority of the votes of the Members present or represented at a duly called meeting at which a quorum is present;

f) Participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes; provided that any such merger or consolidation shall

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have been approved by the affirmative vote of the holders of a majority of the votes of all Members of the Association;

g) Make, by decision of the Board of Directors, and subject to applicable law, any election of a fiscal year for the Association, as the Board of Directors shall determine from time to time;

h) Have and exercise any and all powers, rights, and privileges which a corporation organized under the South Carolina Nonprofit Corporation Act (S.C. Code Annotated §§ 33-31-101, *et seq.*) (the “Act”) may now or hereafter have or exercise, including the right to enter into agreements with other associations and entities for the management and maintenance of the common areas of such associations or entities; and

i) Maintain liability and hazard insurance on the Property, to be procured by and in amounts established by the Board of Directors in its sole discretion and with insurance companies licensed to do business in South Carolina, and to enter into co-insurance or other cost sharing arrangements with other associations within or related to the Property.

ARTICLE IV
MEMBERSHIP; MEETINGS OF MEMBERS; VOTING

Section 4.1 Membership. The Association shall have one (1) class of membership, as more fully set forth in the Declaration.

Section 4.2 Annual Meetings. Annual meetings of the Members shall be held at a time, date and place established by the Board of Directors each year so long as no annual meetings of the Members shall be scheduled on a legal holiday.

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Section 4.3 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or as otherwise prescribed under the Act. Only those matters that are within the purpose or purposes described in the meeting notice may be conducted at a special meeting.

Section 4.4 Notice of Meetings.

a) Written notice of each meeting of the Members shall be deemed to have been properly sent, and notice thereby given, when dispatched by electronic message (email) to the Member at the email address provided to the Association at least twenty (20) days and not more than sixty (60) days before such meeting to each Member entitled to vote thereat. In the event that a Member wishes not to receive notice by electronic message, the Member shall be required to provide notice of his or her election to opt for written notice by First Class Mail. Notice shall be deemed to have been properly sent, and notice thereby given for Members who have opted out of electronic communication when notice is mailed, with the proper postage affixed, at least twenty (20) days and not more than sixty (60) days before such meeting to the last known address of the person or entity of the Owner on the Association books, on the first day of the calendar month in which said notice is mailed.

b) The notice requirement may be waived by a Member before or after the date and time of the meeting as stated in the notice. The waiver must be in writing, be signed by the Member and be delivered to the Association for inclusion in the minutes of the meeting; provided that the attendance by a Member at a meeting waives notice unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

c) Notwithstanding the foregoing, upon the unanimous vote of the Board of Directors,

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an emergency meeting may be called with twenty-four (24) hour's notice to those Members entitled to vote at such meeting, in the event an issue requires the immediate attention of the Members of the Association.

d) If a meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time or place, if (i) the new date, time, or place is announced at the meeting before adjournment; and (ii) the record date fixed pursuant to Section 4.10 for the adjourned meeting is not changed for the new meeting (either voluntarily by the Board of Directors or as required under the Act).

e) If a Member entitled to vote at a meeting wishes to request an item be placed on the meeting agenda, such Member shall provide written notice of the request within thirty (30) days of receipt of the meeting notice. Inclusion of any agenda item shall be at the sole discretion of the Board of Directors.

Section 4.5 Quorum. The presence at a meeting, whether in person or by proxy, of Members entitled to cast twenty percent (20%) of the total votes of the Members of the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If a quorum is not present or represented at any duly called and noticed meeting, the Members present at the meeting may, by majority vote, adjourn the meeting without further notice to a new date, time and place and the quorum requirement at such new meeting shall be reduced to ten percent (10%) of the total votes of the Members of the Association. Nothing herein shall prohibit any such new meeting to be held at a later time on the same date and in the same place as the originally noticed meeting.

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Section 4.6 Proxies. Votes may be cast in person or by proxy. All appointments of proxies shall be by written appointment form, signed either personally or by an attorney-in-fact and filed with the Secretary prior to the vote being taken at the meeting in the case of a vote that is taken at a scheduled meeting (or such other time set out on the appointment form or meeting notice) and by the deadline established by the appropriate notification of a vote to be taken in any other manner. Except as otherwise allowed herein or by written authorization of the Board of Directors of the Association, no appointment form shall confer on the proxy a broader authority than to vote on the matter(s) or at the meeting(s) than is defined on the appointment form. Every proxy shall be revocable at the pleasure of the Owner issuing it, up to the time that the vote for which it was issued is cast. A proxy shall automatically terminate and cease to be effective upon (i) the Member attending any meeting and voting in person, (ii) conveyance by the Member of such Member's Lot, (iii) receipt by the Secretary or other officer or agent authorized to accept proxies of a written notice, signed by the Member, revoking the proxy, or (iv) receipt by the Secretary or other officer or agent authorized to accept proxies of notice of the death of the Member prior to the proxy casting a vote.

Section 4.7 Parliamentary Rules. Robert's Rules of Order (latest edition) or such other rules as the Board of Directors may adopt shall govern the conduct of corporate proceedings when not in conflict with the Declaration, the Articles of Incorporation, these Bylaws or with the laws of the State of South Carolina.

Section 4.8 Failure to Hold Meetings. The failure to hold an annual or regular meeting at a time stated in or fixed in accordance with these Bylaws does not affect the validity of a corporate action.

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Section 4.9 Authorization to Vote and Notice by Owner. It shall at all times be the responsibility of any Lot Owner to keep current with the Association, the name and address of the person authorized to cast the vote assigned to that Lot and to receive notification from the Association as to any meetings which the Association may be required to send. Proof of the authority to receive notice and to vote shall be presented to the Association in the form of a certificate signed by all of the Owners of the Lot. Such certificate shall be deemed valid until revoked by a subsequent certificate.

Section 4.10 Record Date. The Board of Directors shall set the record date for determining the Members entitled to notice of a Members' meeting; to vote at a Members' meeting; and to exercise any rights in respect of any other lawful action. The record date shall not be more than seventy (70) days before the meeting or action requiring a determination of the Members occurs.

Section 4.11 Voting Requirements. Unless otherwise required in these Bylaws, the Declaration, the Articles of Incorporation, the Act or other applicable law, the affirmative vote of the holders of a majority of the votes of the Members present or represented at a duly called meeting at which a quorum is present or represented, which affirmative vote also constitutes a majority of the required quorum, is the act of the Members.

Section 4.12 Action by Written or Electronic Ballot.

a) Any action that may be taken at any annual, regular or special meeting of Members may be taken without a meeting if the Association delivers a written or electronic ballot to every Member entitled to vote on the matter.

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b) A written or electronic ballot shall (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action.

c) Approval by written or electronic ballot pursuant to this section is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

d) All solicitations for votes by written or electronic ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iii) specify the time by which a ballot must be received by the corporation in order to be counted.

Section 4.13 Action by Written Consent. Any action required or permitted to be approved by the Members may be taken without a meeting if the action is approved by Members holding at least eighty percent (80%) of the votes of all Members of the Association. The action must be evidenced by one or more written consents describing the action taken, signed by those Members representing at least eighty percent (80%) of the votes of all Members of the Association, and delivered to the Association for inclusion in the minutes or filing with the corporate records. Written notice of Member approval pursuant to this section must be given to all Members who have not signed the written consent. If written notice is required, Member approval pursuant to this section is effective ten (10) days after the written notice is given.

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ARTICLE V
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 5.1 Number & Types. The affairs of the Association shall be managed by a Board of Directors of not fewer than three (3) Directors. All Directors must be Members in good standing with the Association, in the sole discretion of the Board, in order to seek election to, or continue to hold a position on, the Board of Directors.

Section 5.2 Term of Office. At the first annual meeting after the adoption of these Bylaws, the Members will elect five (5) Directors for staggered terms of three (3) years in accordance with Section 6.2.

Section 5.3 Removal.

a) Any Director(s) elected by the Members may be removed from the Board of Directors, with or without cause, by the affirmative vote of the holders of a majority of the votes of all Members of the Association.

b) Any Director(s) who is not in good standing with the Association, in the sole discretion of the Board, or who misses three (3) consecutive Board meetings (unless such absence shall have been excused by the President of the Association or other person(s) authorized to do so), may be immediately removed from the Board of Directors by the remaining Directors and replaced in accordance with these Bylaws.

c) In the event of the death, resignation, or removal of a Director, a successor shall be selected by majority vote of the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 5.4 Compensation. There shall be no compensation of Directors.

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Section 5.5 Action Taken Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by unanimous written consent of the Directors. The action must be taken by one or more written consents describing the action taken, signed by each Director, and included in the minutes filed with the corporate records. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI
NOMINATION AND ELECTION OF DIRECTORS

Section 6.1 Nomination. Nomination for election for the Board of Directors shall be made by a nominating committee or as specified in guidelines set forth by the Board of Directors. For purposes of the first annual meeting, the nominating committee, when created, shall consist of a chairman and at least two (2) additional Members of the Association. For purposes of any and all annual meetings other than the first annual meeting, at least one (1) member of the nominating committee shall be a Director. The nominating committee shall be appointed by the Board of Directors. Members of the nominating committee shall serve from the close of the annual meeting until the close of the next 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 fewer than the number of vacancies that are to be filled.

Section 6.2 Election. Election of the Board of Directors shall be by secret ballot, unless the President or chairperson declares that the election be carried out by show of hands or acclamation. 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 Bylaws and the

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Declaration. At the first annual meeting after the adoption of these Bylaws, the Members shall elect five (5) Directors to staggered terms as follows: one (1) Director for a term of one (1) year, two (2) Directors for a term of two (2) years, and two (2) Directors for a term of three (3) years; and at each annual meeting thereafter, the Members shall elect successor Directors for terms of three (3) years. The term of any Director shall be automatically extended and shall not expire until the annual meeting at which a successor for that Director is elected or appointed. The nominee(s) receiving the largest number of votes shall be elected. If no nominees are nominated pursuant to these Bylaws, the Director(s) shall be appointed by the current Board of Directors. Cumulative voting (i.e., voting more than one (1) time for any Director), is not permitted under any circumstance.

No Director shall serve more than two (2) consecutive three (3) year terms, but may be re-elected or re-appointed after a one (1) year period from the last date of service.

ARTICLE VII
MEETINGS OF DIRECTORS

Section 7.1 Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly, or more frequently, and at dates, times and places determined by a majority of the Board of Directors. Without the approval of all of the Directors, no meeting shall fall upon a legal holiday. No notice shall be required for regular meetings.

Section 7.2 Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association or any two (2) Directors, after not less than two (2) days notice is given, either personally, by mail, or by telephone, to each Director, unless waived in writing signed by the Director or by attendance of the meeting without objection or participation.

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Section 7.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business by the Board of Directors. Every act or decision authorized 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 of Directors.

ARTICLE VIII
POWERS, DUTIES AND REQUIREMENTS OF THE BOARD OF DIRECTORS

Section 8.1 Powers. The Board of Directors shall have the power, but not the obligation, to perform such duties as authorized by the Declaration, to include, but not be limited, to:

a) Adopt, amend and publish Rules and Regulations of the Association governing (i) the Property, Lots, the Common Area, as well as any facilities that may be placed or constructed thereon; (ii) the personal conduct of the Members and their guests while within the Property; and (iii) the establishment of Assessments for the infraction thereof;

b) Suspend the voting rights, the right to use the recreational facilities on the Common Area, and the services provided by the Association, including without limitation architectural review services, of a Member during any period in which each Member shall be in default in the payment of any Assessment levied by the Association or for any other violation of the Declaration, the Architectural Guidelines, or the Rules and Regulations; provided, however that the Member is provided notice and an opportunity to be heard pursuant to the Declaration;

c) Exercise for the Association of all of the powers, duties, and authority vested in, reserved or delegated to the Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

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d) Declare the office of a Director to be vacant in the event such Director (i) is absent from three (3) consecutive regular meetings of the Board of Directors unless such absence shall have been excused by the President of the Association or other person(s) authorized to do so, or (ii) is not in good standing as a Member of the Association, including without limitation failure to pay any Assessments when due;

e) Employ a manager, an independent contractor, Treasurer of the Association or such other employees as they may deem necessary, to prescribe their duties;

f) Levy Assessments and to collect from the Members all costs of collection, including but not limited to court costs and reasonable attorney fees, for all infractions of the Association's Rules and Regulations, the Architectural Guidelines, the Declaration, Articles of Incorporation and/or these Bylaws;

g) Grant easements or waivers to or enter into licenses with Lot Owners in Newport with respect to encroachments on the Common Area and other violations of the Declaration, Architectural Guidelines and Rules Regulations; and

h) Delegate, in part or in whole, to any employee, agent, director, officer, contractor, manager or other appropriate entity, any power or authority given to the Board of Directors by the Declaration or these Bylaws.

Section 8.2 Duties. It shall be the responsibility of the Board of Directors to:

- a) Comply with the requirements of the Act regarding annual meetings;
- b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

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c) Perform such other duties as required by the Declaration, the Articles of Incorporation or the Bylaws;

d) Take legal action where it is deemed prudent and to be in the best interest of the Association by the Board of Directors, including without limitation foreclosure of the lien against any Lot for which Assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner(s) personally obligated to pay the same as provided in the Declaration, or both;

e) 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. At all times the Association records with respect to payments made or due shall be deemed correct unless proper documentation to the contrary can be produced. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment. A reasonable charge may be made by the Board for the issuance of these certificates;

f) Procure and maintain liability and hazard insurance on property owned by the Association in amounts established by the Board of Directors in its sole discretion and with insurance companies licensed to do business in South Carolina with an A.M. Best rating of AA or better (or an equivalent rating);

g) Cause and pay for all officers or employees having fiscal responsibilities to be bonded, if and as it may be deemed appropriate by the Board of Directors;

h) Cause the Common Area to be maintained.

Section 8.3 Requirements: The Board may, without a vote of the Members, initiate actions or proceedings: (a) initiated to enforce the provisions of or otherwise permitted by

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the Declaration, these Bylaws, Architectural Guidelines, or Rules and Regulations; (b) initiated to challenge property taxation or condemnation proceedings; (c) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

ARTICLE IX
OFFICERS AND THEIR DUTIES

Section 9.1 Enumeration of Offices. The offices of this Association shall be a President and Vice President, who shall be appointed from the then current Directors, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

Section 9.2 Appointment of Officers. All officers shall be appointed by the Board of Directors.

Section 9.3 Term. Officers of the Association shall be appointed annually by the Board of Directors, and each shall hold office for one (1) year unless such officer shall resign, be removed, or otherwise be disqualified to serve.

Section 9.4 Special Appointments. The Board of Directors may appoint such other officers, agents, or entities to perform duties on behalf of the Association. The Board of Directors shall determine, in its sole discretion, the authority, duties and compensation of such other officers, agents, or entities and the period of time such other officers, agents and entities shall perform such duties. The Board of Directors may remove such other officers, agents, or entities in its sole and absolute discretion.

Section 9.5 Resignation and Removal. Any officer may be removed from office, with or without cause, by a majority vote of the Board of Directors. Any officer may resign at any

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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 of such resignation shall not be necessary to make it effective.

Section 9.6 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 being replaced.

Section 9.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person, otherwise no office may be held by the same person during the same time period. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 9.4.

Section 9.8 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 the orders and resolutions of the Board of Directors are carried out; may be authorized by the Board of Directors to sign all contracts, leases, mortgages, promissory notes, deeds and other written instruments and shall be authorized, in addition to the Treasurer and any other authorized parties, to sign on all Association checking accounts.

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 of Directors.

c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep any corporate seal obtained by

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the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing Members of the Association together with their addresses, authenticate the records of the Association and shall perform such other duties as required by the Board.

d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; if authorized by the Board of Directors to do so, shall sign or direct all checks, promissory notes and other financial instruments of the Association; and keep proper books of accounts.

ARTICLE X
COMMITTEES AND ARCHITECTURAL CONTROL COMMITTEE

The Board of Directors by majority vote may appoint an Architectural Control Committee for Newport and delegate its duties. Pursuant to Article VII of the Declaration, the Architectural Control Committee shall have the authority to adopt specific architectural guidelines in coordination with the Board and charge a fee to be set by the Board.

In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose, including the establishment of a nominating committee as contemplated herein.

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ARTICLE XI
BOOKS AND RECORDS

The books and records of the Association, required to be made available to the Members by the Act and the Declaration, shall at all times, during reasonable business hours and by appointment, be subject to inspection at the office of the Association and/or copying by an Member upon compliance with the Act. The Association may charge reasonable fees for the time and cost incurred in providing the records for inspection or copies of the books and records. In lieu of inspection and at the option of the Association, it may provide copies of the requested books and records to the Member either electronically or by paper copies, at the Member's cost.

ARTICLE XII
FUNDS AND BONDS

Section 12.1 Payments and Depositories. All monies collected by the Association shall be treated as the separate property of the Association and such monies may be applied by the said Association to the payment of any of the expenses of operating and managing the Association, or to the proper undertaking of all acts and duties imposed upon it by virtue of these Bylaws, the Articles of Incorporation and the Declaration. As Assessments are paid to the Association by any Owner of a Lot the same may be commingled with the Assessments paid to the Association by the other Owners of Lots. All funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or use of the Common Area, shall be held for the benefit of the Members of the Association.

The depository of the Association shall be such bank or other federally insured depository institution as shall be designated from time to time by the Board of Directors and in which the funds of the Association shall be deposited. Withdrawal of funds from such accounts shall only be by

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checks signed by such persons as are authorized by the Board of Directors.

In the event the Board of Directors uses funds collected and held in the Association's reserve account(s), the Board of Directors shall have the option, in its sole discretion and without notice to the Members, to replenish (in whole or in part) or not to replenish said reserve account(s).

Section 12.2 Bonds. At the discretion of the Board of Directors, fidelity bonds may be required on all members of the Board of Directors, the officers of the Association and any other persons, employees or entities handling or responsible for the funds of the Association. The amounts of such bonds shall be determined by the Directors, but if it is determined that bonds are to be obtained, they shall be at least equal to the amounts to be handled at any point by that person or entity. Unless verification that the bonds have been provided by such person or entity is obtained by or provided for the Board of Directors, the premiums for these bonds shall be paid by the Association as a common expense.

ARTICLE XIII
CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the name of the Association.

ARTICLE XIV
AMENDMENTS

Section 14.1 Amendment by Members; Correction of Clerical Errors. Except as otherwise required herein, by the Articles of Incorporation, or by applicable law, these Bylaws may be amended by the affirmative vote of the holders of a majority of the votes of all of the Members of the Association. Without limiting the foregoing, the Association shall, at any time and from time to time as the Board sees fit, have the right (but not the obligation) to cause the

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Bylaws to be amended to correct any clerical or scrivener's error(s) or to conform to the requirements of the Federal Housing Administration or the Veterans Administration or the Federal National Mortgage Corporation, FHLMC and such other secondary market agencies as the same may be amended from time to time.

Section 14.2 Amendment by Board of Directors. In addition to any other right to amend as set out herein, the Board of Directors may amend and/or restate these Bylaws without the consent of the Owners, their mortgagees, or the Association, in order to add, subtract, or otherwise modify the number of Directors on the Board.

Section 14.3 Conflict with Articles or Declaration. In the case of any conflict between the Articles of Incorporation and these Bylaws or the Rules Regulations, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration, the Rules and Regulations, and these Bylaws, the Declaration shall control.

ARTICLE XV
MISCELLANEOUS

Section 15.1 In case of any conflict with the mandatory provisions of the Act, the mandatory provisions of the Act shall control.

Section 15.2 Subject to the right of the Board of Directors to set such date or to a ruling by the Internal Revenue Service, the fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 15.3 The Association shall indemnify an individual made a party to a proceeding because the individual is or was a Director or officer against liability incurred in the

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proceeding if the individual complies with the requirements of the Act and shall pay for or reimburse the reasonable expenses incurred by the Director or officer who is a party to a proceeding in advance of final disposition of the proceeding if the Director or officer complies with the terms of the Act.

Section 15.4 The Board shall interpret the terms of the Bylaws and its interpretation shall be final.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Association, by its authorized representative, has properly adopted these Bylaws on the signature date(s) below (the "*Execution Date*").

SIGNED SEALED AND DELIVERED
in the presence of:

Newport Property Owners Association, Inc.

Jan Cliz
(witness #1)

By: SD Wilson (SEAL)

Renee Amyx
(witness #2)

Name: STEPHEN D. Wilson

Its: PRESIDENT

STATE OF SOUTH CAROLINA)
COUNTY OF Greenwood)

ACKNOWLEDGMENT

I, Angela M. Proctor, Notary Public for the State of South Carolina, do hereby certify that the above-signed authorized signatory for **Newport Property Owners Association, Inc.** personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Sworn and subscribed before me this
3rd day of December, 2019.

Angela M. Proctor (SEAL)
Notary Public for South Carolina
My Commission Expires: 12.8.25

