

BY-LAWS

OF

HARLESTON GREEN TOWNHOME ASSOCIATION, INCORPORATED

ARTICLE I

NAME, LOCATION AND PURPOSE

SECTION 1. NAME AND LOCATION. The name of the corporation is HARLESTON GREEN TOWNHOME ASSOCIATION, INCORPORATED, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 26 Vendue Range, Charleston, South Carolina, but meetings of members and directors may be held at such places within the State of South Carolina, County of Charleston, as may be designated by the Board of Directors.

SECTION 2. PURPOSE. The object, purpose and business which the Association proposes to do shall be to preserve the values and amenities of the Harleston Green development, to maintain the Common Area of Harleston Green as shown on the plat of the subdivision prepared by Harold B. Nielson, Jr., dated November 7, 1984, revised November 19, 1984 and recorded in the office of the RHC for Charleston County in plat book B page 64, and to engage in such other activities as may be to the mutual benefit of the owners of property in Harleston Green.

SHOULD SAY IS D

ARTICLE II

DEFINITIONS

SECTION 1. "Association" shall mean and refer to Harleston Green Townhome Association, Incorporated, a South Carolina non-profit corporation, its successors and assigns.

SECTION 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions for Harleston Green, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 3. "Common Area" shall mean and refer to all real property along with any facilities and improvements thereon, owned by the Association for the common use and enjoyment of the Owners.

S. DANIEL BOWLING
8-7-85

SECTION 4. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Properties, together with the improvements thereon.

SECTION 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 6. "Declarant" shall mean and refer to Harleston Green, a South Carolina Joint Venture, or any person who succeeds to the title of Declarant to the Properties by sale or assignment of all of the interest of the Declarant in the Properties, or by exercise of a right of foreclosure of a mortgage given by the Declarant and duly recorded subsequent to the recordation of the Declaration. Any such person shall be burdened by all obligations and entitled to exercise all rights and powers conferred upon Declarant by the Declaration, Articles of Incorporation, or by these Bylaws. Provided, however, "Declarant" shall not include the grantee of a deed taken in lieu of foreclosure of a mortgage(s) recorded prior to the Declaration or the purchaser at a sale upon foreclosure of such a mortgage(s).

SECTION 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Harleston Green applicable to the Properties recorded in the office of the Register of Mesne Conveyances for Charleston County, South Carolina, and same being incorporated herein by reference.

SECTION 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and ARTICLE III of these Bylaws.

SECTION 9. "Harleston Green" shall refer to the residential community located upon the Properties. The use of this name is specifically reserved to the Declarant for use in connection with development of tracts within the area described in the Declaration.

ARTICLE III

MEMBERSHIP AND PROPERTY RIGHTS

SECTION 1. QUALIFICATION. Every owner of a Lot in Harleston Green, which is subject to assessment, shall be a Member of the Association. Where two or more owners hold title to one of the aforementioned lots, all such owners shall be Members of the Association, but must vote in accordance with ARTICLE III, SECTION 3, hereof. Whenever a Member shall cease to be an owner of a lot in Harleston Green, such Member shall automatically be dropped from the membership roll of the Association, with the exception of the three (3) original general partners of the Declarant,

who shall have one vote each (and three total) for their lifetime regardless of whether said partners own a lot in Harleston Green. Membership shall be appurtenant to assessment. The voting rights and classes of the Members shall be as provided herein and as provided in the Declaration and the Articles of Incorporation.

SECTION 2. MEMBERS. A Member shall have no vested right, interest or privilege in or to the assets, functions, affairs or franchises of the Association, or any right, interest or privilege which may be transferable or inheritable or which shall continue after his Membership ceases.

SECTION 3. VOTING RIGHTS AND PROXY. Voting by Members of the Association may be in person or by proxy as set forth herein. The Association shall have two classes of voting Membership:

(a) **Class A.** Class A Members shall be all owners, with the exception of the Declarants. Class A Members shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be Members. The vote for such lots shall be exercised as the owners thereof determine, but in no event shall more than one vote be cast with respect to any lot, and no fractional vote may be cast with respect to any lot.

(b) **Class B.** The Class B Members shall be the general partners of the Declarant, and the Declarant shall be entitled to three (3) votes for each lot in which it holds a fee or undivided fee interest, provided, that the Class B Memberships shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier: (1) when the total votes outstanding in Class A Membership equals the total votes outstanding in Class B Membership; provided, however, that the Class B Memberships shall be reinstated with all rights, privileges and responsibilities if, after conversion of the Class B Membership to Class A Membership as provided herein, additional lands are annexed to the Property by the Declarant in the manner provided in Article II of the Declaration, or (2) October 31, 1989.

SECTION 4. PROPERTY RIGHTS. Each Member shall be entitled to the use and enjoyment of the Properties as provided in the Declaration. Any Member may delegate his or her rights of enjoyment of the Common Area and facilities to the members of his or her family, his tenants, or contract purchasers who reside on the property. Such Members shall notify the secretary of the Association in writing of the name of the delegate(s). The rights and privileges of such delegate are subject to suspension to the same extent as those of the Member and every delegate is subject to all the rules and regulations applicable to each Member.

ARTICLE IV

MEETING OF MEMBERS

SECTION 1. ANNUAL MEETINGS. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. or at such other place, date and time decided upon by a majority vote of the Board. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first secular day following which is not a legal holiday.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote ten (10%) percent of all the votes of the membership.

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 to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) but not more than fifty (50) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. 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. Waiver by a Member in writing of the notice required herein, signed by him or her before or after such meeting, shall be equivalent to the giving of such notice.

SECTION 4. QUORUM. The presence at the meeting of one-half of Members entitled to cast, or of proxies entitled to cast, one-half (1/2) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. 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, until a quorum as aforesaid shall be present or be 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 or her Lot.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE.

SECTION 1. NUMBER. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be Members of the Association. After 55% of the Lots are sold, non-member Directors of the Association shall be limited to one.

SECTION 2. FIRST BOARD OF DIRECTORS. The first Board of Directors shall consist of Dennis R. Haydon, Kenneth A. Gifford, Harold B. Nielson, Jr., Melvin Solomon, and R.M. Martin, Jr. who shall serve until October 31, 1989; provided, however, any or all of said First Directors shall be subject to replacement in the event of resignation or death as hereinafter provided and provided further, however, that said service is subject to the right of the Members to remove any individual Director as provided in ARTICLE V, SECTION 4 herein.

SECTION 3. TERM OF OFFICE. After the terms of the initial Directors have expired or after any one of said Directors has been replaced as provided herein, then each subsequent Director shall serve a term of two (2) years, on a staggered basis so that two Directors are elected each even year and three Directors are elected each odd year thereafter. At each annual meeting after the expiration of the terms of said first Directors, the Members of the Association shall fill such vacancies by electing new Directors.

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. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining Members of the Board, and shall serve for the unexpired term of his predecessor.

SECTION 5. 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 in the performance of his duties.

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

SECTION 7. VACANCIES ON BOARD. Whenever a vacancy in the Membership of the Board of the Directors shall occur, the remaining Members of the Board shall have the power, by majority vote, to elect a Director to fill the unexpired term of said vacancy.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

SECTION 1. NOMINATION. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board, prior to each annual meeting of the Members of which Directors will be elected, to serve until the conclusion of the election. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

SECTION 2. ELECTION. Election to the Board shall be by secret, written 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 the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE VII

MEETINGS OF DIRECTORS

SECTION 1. REGULAR MEETINGS. Regular meetings of the Board shall be held not less than quarterly without notice, at such place and hour 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.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

SECTION 3. QUORUM. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or 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 the act of the Board.

ARTICLE VIII

POWER AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. POWERS. The Board shall have power:

- (a) to adopt and publish rules and regulations

(1) governing the use of the Common Area and facilities and the personal conduct of the Members and their guests thereon, and (2) establishing penalties for the infraction thereof;

(b) to suspend the voting rights of any Member and the right to the use of the recreational facilities of any Member who violates any of the provisions of these Bylaws, including but not limited to any period in which such members shall be in default in the payments of any annual or special assessment or charge levied by the Association. The rights of a Member may also be suspended by the Board of Directors, for a period not exceeding sixty (60) days after notice and a hearing before the Board, for violation of any of the rules and regulations established by the Board of Directors governing the use of the Properties and facilities of the Association, or for violation of any public rules and regulations pertaining thereto;

(c) to 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) 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;

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

(f) to employ attorneys to represent the Association when deemed necessary; and

(g) to execute any documents affecting a further subordination of a mortgage securing the obligation to pay assessments given the Association by any Owner.

SECTION 2. DUTIES. It shall be the duty of the Board of Directors:

(a) to 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 (1/4) of the Members who are entitled to vote;

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

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

(1) fix the amount of the annual assessment against each Lot as least forty-five (45) days in advance of each annual assessment period; and

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or 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 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) to procure and maintain adequate liability insurance covering the Association, its Directors, officers, agents and employees and to procure and maintain adequate hazard insurance on the real and personal property owned by the Association;

(f) to cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) to cause the Common Area to be maintained; and

(h) to cause the repair and maintenance not caused by Casualty Loss of other items to be maintained by the Association as defined in the Declaration.

ARTICLE IX

OFFICERS AND THEIR DUTIES

SECTION 1. ENUMERATION OF OFFICERS. The officers 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. Assistant officers need not be Members.

SECTION 2. ELECTION OF OFFICERS. The election of officers shall take place at the meeting of the Board immediately 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 (1) year unless he or she shall sooner resign or shall be removed, or otherwise be 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 by giving written notice to the Board, 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 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 or she 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 special offices created pursuant to SECTION 4 of this ARTICLE.

SECTION 8. DUTIES. The duties of the officers are as follows:

PRESIDENT

(a) The president shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, subordination of mortgages, deeds, releases, and other written instruments and shall co-sign with the secretary-treasurer all checks and promissory notes.

VICE PRESIDENT

(b) The vice president shall act in the place and stead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

SECRETARY

(c) 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 meeting of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Directors; co-sign with the President or other designated officer, all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, if authorized by the Board; 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.

ARTICLE XCOMMITTEES

The Board shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XIARCHITECTURAL CONTROL COMMITTEE

SECTION 1. COMPOSITION. An Architectural Control Committee consisting of up to five (5) persons shall be appointed by the Board of Directors.

SECTION 2. REGULAR MEETINGS. The Architectural Control Committee shall meet for the transaction of business at such place as may be designated from time to time.

SECTION 3. QUORUM. The Architectural Control Committee shall act only as a committee, and individual members shall have no powers. The majority of the committee shall constitute a quorum for the transaction of business, but a majority of those present at the time and place of any meeting, although less than a quorum, may adjourn the same from time to time without notice until a quorum be at hand. The act of a majority of members present at any meeting at which there is a quorum shall be the act of the committee, except as may otherwise be provided by law.

SECTION 4. CHAIRPERSON. At all meetings of the Architectural Control Committee, a Chairperson chosen by the members present shall preside.

SECTION 5. TERMS OF THE MEMBERS OF THE COMMITTEE. The members of the committee shall serve a one (1) year term as

appointed by the Board of Directors of the Association; however, the Board may remove any individual member of the committee, with or without cause, by a majority vote of the Directors at any meeting at which a quorum of the Directors is present.

SECTION 6. RESPONSIBILITY OF OWNERS. In the event that any building, residence, fence, wall, antenna, clothesline or other structure is to be erected, modified or altered on any lot, or in the event that any landscaping or site alteration is to take place within the area of any lot, complete plans and specifications, including site and landscaping plans, shall be submitted to the committee before the commencement of work, pursuant to procedures established by the committee, and as set forth in Article XI of the Declaration. The submittal shall be directed to Harleston Green Architectural Control Committee, 26 Vendue Range, Charleston, South Carolina 29401.

SECTION 7. PROCEDURE AND SCOPE OF ARCHITECTURAL REVIEW. Within thirty (30) days of the submission of such plans, the committee shall approve, disapprove or recommend modifications of the same, as provided in Article XI of the Declaration.

SECTION 8. ENFORCEMENT OF REQUIREMENTS OF ARCHITECTURAL CONTROL COMMITTEE. The Architectural Control Committee is empowered, on behalf of the Association and affected individual owners and Members of the Association, to recommend that the Board bring an action to enforce the requirements of this ARTICLE including, but not by way of limitation, actions for injunctive relief.

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 or his designee. The Declaration, the Articles of Incorporation and the Bylaws 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

Mindful of the requirements of Section 528(c) of the Internal Revenue Code of 1954, as amended, the Board will seek to conform with the requirement that at least sixty (60%) percent of the Association's gross income consists of membership dues, fees or assessments from owners or residential units or owners of residences or residential lots. The Board will also seek to conform with the requirement that at least ninety (90%) percent of the annual expenditures of the Homeowners Association will be used to acquire, construct, manage, maintain, and care for or improve

Association property.

ARTICLE XIV

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and specified assessments which are secured by a continuing lien as evidenced by a mortgage 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 increased to include a penalty of one dollar (\$1.00) per day from the due date, 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 as provided in the Declaration. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his or her Lot.

ARTICLE XV

AMENDMENTS

SECTION 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of the votes entitled to be exercised by Members present in person or by proxy.

SECTION 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XVI

INDEMNIFICATION

All officers and directors of the Association shall be indemnified and held harmless by the Association from any liabilities, claims, demands, damages, actions or cause of action resulting from the performance of their duties, except such liabilities, claims, demands, actions or causes of action as shall arise from willful or wanton acts.

ARTICLE XVII

RESTRICTION ON USE OF CORPORATE FUNDS

No funds of this corporation may be used to defray the legal fees or costs of instituting any action to contest the Declarant's plan of development for the Properties, or to otherwise institute any action at law or equity against the Declarant.

ARTICLE XVIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first 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.

IN WITNESS WHEREOF, we, being all of the Directors of Harleston Green Townhome Association, Incorporated, have hereunto set out hands and seals this 31st day of July, 1985.

Harleston Green Townhome Association (SEAL)
 Incorporated
Director
R. M. Martin, Jr. (SEAL)
 Director
W. B. [unclear] (SEAL)
 Director
Delvin Solomon (SEAL)
 Director
[unclear] (SEAL)
 Director

IN THE PRESENCE OF:

Zachary M. Solomon
Admiral Bond

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of Harleston Green Townhome Association, Incorporated, a South Carolina corporation, and ,

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 31st day of July, 1985.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 31st day of July, 1985.


Secretary

