

BYLAWS OF THE HARBISON COMMUNITY ASSOCIATION, INC.
ARTICLE I
GENERAL

1.01 Name. The name of the corporation is HARBISON COMMUNITY ASSOCIATION, INC. (hereinafter referred to as "HCA").

1.02 Location. The principal office of the corporation shall be located in the County of Richland, South Carolina.

1.03 Governing Laws. The provisions of these Bylaws shall be governed by and construed in accordance with the laws of the State of South Carolina.

ARTICLE II
DEFINITIONS

2.01 Articles. "Articles" shall mean the Declaration and Petition for Incorporation of the Association.

2.02 Association. "Association" shall mean the HARBISON COMMUNITY ASSOCIATION, INC.

2.03 Association Board. "Association Board" shall mean the Board of Directors of the Association, duly elected and acting pursuant to the Articles and these Bylaws.

2.04 Declaration. "Declaration" shall mean that certain Declaration of Covenants, Restrictions Easements, Charges and Liens executed by The Harbison Group on June 30, 1983, and recorded in the Office of the Register of Mesne Conveyance for Richland County in Book of Deeds D-357 at page 1 and in the Office of the Register of Mesne Conveyance for Lexington County in Book of Deeds 210 at page 31.

2.05 Terms Defined in the Declaration. The terms defined in Article I of the Declaration shall have the respective meanings stated therein when used in these Bylaws.

ARTICLE III
MEMBERSHIP

3.01 Members. During the Development Period, the Association shall have five (5) classes of members-Class A, Class B, Class C, Class D, and Class E:

- (a) Each owner of one or more lots designated for the residential use shall be a Class A member.
- (b) Each owner of one or more lots designated for non-residential use and each commercial tenant having a lease term of more than five (5) years shall be a Class B member
- (c) Each resident who lives in an owner-occupied residence shall be a Class C member.
- (d) Each resident who is a tenant and each commercial tenant under a lease having a term of five (5) years or less shall be a Class D member.
- (e) The Developer shall be the Class E member.
- (f) The Association shall not be a member and, during the Development Period, the Developer shall not be a member of Class A or Class B.

After the Development Period, Class E membership will terminate. The Developer will then become a Class A or Class B member, or both, if it holds a qualifying interest in the appropriate types of property, and shall remain a Class A or Class B member, or both, as long as it continues to hold such interest.

3.02 Voting Rights.

(a) Each Class A member shall be entitled to vote on all matters on which members generally or Class A members in particular vote.

(b) Each Class B member shall be entitled to vote on all matters on which members generally or Class B members in particular vote.

(c) Each Class C member eighteen (18) years of age or older shall be entitled to vote on all matters on which members generally or Class C members in particular vote.

(d) Each Class D member shall be entitled to vote on all matters on which all members generally or the Class D members in particular vote.

(e) Each Class E member shall be entitled to vote on all matters on which all members generally or the Class E member in particular vote. The Class E member shall have one vote.

(f) Each member shall have one (1) vote for each interest held by such member which entitles such member to be a member of except as follows:

(1) The owner of one or more lots designated for multiple family residential use shall have one vote for each acre or fraction thereof owned;

(2) The Owner of one or more lots designated for non-residential use shall have one vote for each acre or fraction thereof owned; and,

(3) Class D members shall have one half (1/2) vote

Example: if a member owns two residential lots and an industrial lot and is a resident, such member is entitled to four votes.

(g) Anything in subsection (f) of this Section to the contrary notwithstanding, where a lot is owned of record in any manner of joint or common ownership, the joint or common owners thereof shall share among them the rights (including voting rights) given to an owner pursuant to the Declaration and these Bylaws, which they shall be entitled to exercise as a whole, but not in part, in whatever manner they shall jointly determine. With respect to voting rights in particular, joint or common ownership of a lot shall entitle the owners thereof to a total of one vote, to be exercised in whatever manner they shall jointly determine

(h) Subject to the provisions of the Declaration and of these Bylaws the Association Board may make such rules and regulations as it deems advisable for any meeting of members, Association vote, referendum, or election.

(i) Subsections (a) through (h) of the Section 3.02 are subject to the power of the Association Board to suspend the voting right of any member pursuant to Section 3.05 of these Bylaws.

3.03 Qualifications. No resident or Owner shall exercise voting rights until satisfactory proof has been furnished to the Secretary of the Association that he is eighteen (18) years or older if a Class C or Class D member, or is the legal Representative of any Owner, or is the proxy of a member. Such proof may consist of a duly executed and acknowledged affidavit that such Class

C or Class D member is eighteen (18) years of age or older, or is the legal representative of and Owner, or, in the case of proxies, may consist of a proxy executed and filed as prescribed in Section 6.06 of these Bylaws. Initial qualification to vote shall be accomplished by submission of a completed voting certificate to HCA in person during the specified period of registration.

Such qualification to vote shall continue until such time the HCA member is no longer qualified to vote pursuant to Section 3.05 of these Bylaws or until such time the HCA member fails to cast their vote in person or by proxy annually. Once the HCA member has failed to cast their vote or proxy, then they shall be required to re-register for the next regular or special election.

3.04 Certificates. The Association Board may provide for the issuance and cancellation of certificates evidencing the status of membership in the Association, which shall be in such form as, may be determined by the Association Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each member and the date of issuance or cancellation of the certificates shall be entered on the records of the Association maintained by the Secretary of the Association. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Association Board may direct. Such certificates shall be proof of Association membership for all purposes for which such proof may be required, and shall be invalid and shall be surrendered by the member, when cancelled by the Association Board.

3.05 Suspension of Membership. The Association Board may suspend the voting rights and rights of enjoyment of Association Membership of any member who:

(a) is subject to the Right of Action by the reason of having failed to take reasonable steps to remedy a violation or breach of the Declaration within twenty (20) days after mailing by the Association Board of written notice of the same pursuant to the provisions of the Declaration; or

(b) has allowed any assessment levied by the Association pursuant to the Declaration to become delinquent; or

(c) has failed to pay any user fee or charge levied by the Association pursuant to the provisions of the Declaration when due and payable

Such suspension shall be for the balance of the period in which the conditions set forth in subsections (a), (b), and (c) of this Section obtain.

3.06 Termination of membership. No Resident shall continue to be a Class C or D member after he shall cease to be a Resident or Tenant.

No owner shall continue to be a Class A or Class B member after he shall cease to own or to hold a qualifying interest in any lot or structure. No member may avoid his obligations under the Declaration, the Articles or these Bylaws, by non-use of Common Property, renunciation or abandonment of his lot or structure, or any other act of abandonment or renunciation.

3.07 Initiation Fees and Dues. No member shall be charged initiation fees or dues to become a member of the Association. Members shall be obligated, however, to pay all assessments which may or shall be levied pursuant to the provisions of the Declaration.

Article IV

Board of Directors

4.01 Powers. The powers of the Association shall be vested in, exercised by and under the authority of, and the affairs of the Association shall be controlled by, a Board of Directors consisting of nine persons who need not be members. In carrying out its duties, the Board of directors shall be empowered to do all things reasonably necessary to operate the Association and, by way of amplification and not of limitation, shall be empowered to:

- (a) fix, levy, collect, and enforce payment by any lawful means of all fees, charges or Assessments imposed for any purposes pursuant to the Declaration;
- (b) pay all lawful expenses incident to the conduct of the affairs of the Association;
- (c) enforce any provision of the Declaration;
- (d) acquire (by gift, purchase, lease, or otherwise), improve, maintain and manage real or personal property, in connection with the affairs of the Association and as permitted by the Declaration;
- (e) borrow money in furtherance of the purposes of the Association as set forth in the Declaration and the Articles;
- (f) provide such services as may be duly requested by members and approved the Board;
- (g) grant easements of rights-of-way within Common Property to any municipality or other governmental body, agency or authority, or to any quasi-public agency or to any utility corporation; provided that any such grant of easement or right-of-way which substantially impairs the suitability of any affected Common Property for its designated use shall not become effective without the approval of a two thirds majority of the members of all classes considered as a single class who are present in person or by proxy and voting at an Association Meeting or voting in a referendum called for such purpose after proper notice is given;
- (h) apply for grants from Federal, State, or local governments and accept and expend such grants as permitted by the terms thereof;
- (i) exercise any power, right, or duty conferred upon, or to be undertaken by, the Association Board pursuant to the Declaration; and
- (j) employ a manager, independent contractors or such other agents or employees as they deem necessary and prescribe their duties.

4.02 Limitation on Powers of the Association. Notwithstanding any other provision of the Bylaws to the contrary, the Association and the Association Board shall neither have nor exercise any power or authority either expressly, by interpretation, or by operation of law, nor directly or indirectly engage in any activity, which would prevent the Association from qualifying (and continuing to qualify) as an organization described in Section 501 (c) (4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law), which provides for exemption from federal income taxation of "civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare". No part of the net earnings of the Association shall inure to the benefit of or be distributable to its incorporators,

members, Directors, Officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered, except as otherwise provided in the Bylaws, and to make payments and distributions in furtherance of the purposes set forth in the Articles, to the extent permitted by the Declaration.

4.03 Composition. At the first annual meeting of members, Directors filling Director positions 1, 2, 3, 4, and 8 (as hereinafter described) shall be elected for a two year term of office and shall serve until their respective successors are elected and qualified, and Directors filling Director positions 5, 6, 7, and 9 shall be elected for a one year term of office and shall serve until their respective successors are elected and qualified; at each annual meeting of members thereafter. Directors elected to fill positions the terms of which expire at such meeting shall be elected for two year terms of office and shall serve until their respective successors are elected and qualified:

- (a) At the first annual meeting of members and thereafter, until the first annual meeting of members for which the Association certifies that there are 1,200 or more completed units, Director position 1 shall be elected only by the Class A, Class B, Class C, and Class E members, voting together as a single Class. At the first annual meeting of members for which the Association certifies that there are 1,200 or more completed units and thereafter, Director position 1 shall be elected only by the Class B members;
- (b) Director position 2 shall be elected by the Class E members at the first annual meeting of members. At the second annual meeting of members and thereafter until the first annual meeting of Members for which the Association certifies that there are 1,200 or more completed units, Director position 2 shall be elected by the Class A, Class B, Class C, and Class D members, voting together as a single Class. At the first annual meeting of members at which the Association certifies that there are 1,200 or more completed units and thereafter, Director position 2 shall be elected only by the Class A members;
- (c) Director position 3 shall be elected by the Class E members until the first annual meeting of members for which the Association certifies that there are 1,200 or more completed units. At that annual meeting of members and thereafter, Director position 3 shall be elected only by the Class C members;
- (d) Director position 4 shall be elected by the Class E member until the first annual meeting of members for which the Association certifies that there are 2,400 or more completed units. At that annual meeting and thereafter, Director position 4 shall be elected only by the Class A members;
- (e) Director position 5 shall be elected by the Class E members until the first annual meeting of members for which the Association certifies that there are 3,700 or more completed units. At that annual meeting of members and thereafter, Director position 5 shall be elected only by the Class D members,
- (f) Director position 6 and 7 shall be elected by the Class E member until the first annual meeting of members for which the Association certifies that there are 5,200 or more completed units. At that annual meeting of members and thereafter, Director position 6 shall be elected only by the Class A members and Director position 7 shall be elected only by the Class C members
- (g) Director position 8 and 9 shall be elected by the Class E member during the Development Period. At the first annual meeting of members after the end of the Development period and thereafter, Director position 8 shall be elected only by the Class A members and Director Position 9 shall be elected only by the Class B members.

4.04 Certification. At least fifteen (15) but no more than sixty (60) days before each annual meeting of members, the Association Board shall determine and certify the number of completed units, the number of members of each class eligible to vote, and the Director positions to be elected by each Class of member.

4.05 Vacancy. Any vacancy may be filled at any meeting of the Association Board by the affirmative vote of a majority of the remaining Directors representing the same Class as the Director position vacated. Any vacancy shall be filled within thirty (30) days of its occurrence. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he was elected to fill.

4.06 Nomination.

(a) Nomination for election to the Association Board shall be made by a nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Association Board, and three (3) or more members of the Association, but no less than one (1) representative from each Class of membership. The Nominating Committee shall be appointed by the Association Board during its regular January meeting prior to each annual meeting of the members. The Nominating committee shall make as many nominations for the election to the Association Board as it shall in its discretion determine but not less than the number of Directors to be elected for each Class. It shall nominate no person unless such person has first agreed to serve if elected.

(b) Nomination may also be made by petition of ten (10) or more members of the Class eligible to vote in the election for the position to be filled. Such a petition must be filed in the Association's principal office by the close of business on the 60th day preceding the annual meeting. Any such person so nominated must first have agreed to serve if elected

4.07 Elections of Directors. Except in instances in which there is no contest for the election of Directors, Directors shall be elected by secret ballot, with the form of the ballot and the procedure for the casting of same established from time to time by the Association Board. 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 and these Bylaws. The candidates receiving the largest number of votes shall be elected. There shall be no cumulative voting.

4.08 Meetings of the Board. Meetings of the Association board shall be held at such time and place within or outside Harbison but within Richland County or Lexington County, South Carolina, as may be fixed by the Association Board.

(a) Regular Meetings. Regular meetings may be held at the time and place fixed by the Association Board, with proper public notice given at least fifteen (15) days in advance. The regular annual meetings of the Board shall be held immediately after, or on the day following the annual meeting of members at such time and place as may be specified in the notice thereof.

(b) Special Meetings. Special Meetings of the Association Board may be called without public notice by or at the request of the President or upon the written request of any two (2) Directors then in office. The person or persons authorized to call special meetings of the Association Board may fix any place and time for any special meeting of the Association Board called by them.

4.09 Notice of Special Meetings. Written notice of the place, day, and hour of any meeting of the Association Board for which notice is required shall be given to each Director by written notice

delivered personally at least one (1) day prior to said meeting or sent by postage prepaid first-class mail or telegram to the address as shown on the records of the Association, postmarked at least three (3) days prior to said meeting. If mailed, said notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegram company. Any Director may, by a writing signed by him, before or after the time of meeting stated therein, waive notice of any meeting. The attendance of a Director at any meeting shall constitute that Director's waiver of notice of such meeting.

4.10 Quorum. A majority of the Association Board shall constitute a quorum for the transaction of business at any meeting of the Association Board; provided any quorum must consist of at one (1) Director elected by the Class E Member so long as the Class E member has directorship status on the Board. In the absence of a quorum, a majority of the Directors present at any meeting of the Association Board may adjourn the meeting from time to time without notice other than announcement at such meeting. At such adjourned meeting, if a quorum shall be present, any business may be transacted which might have been transacted at the meeting of the Association Board as originally called. The act of a majority of the Directors at a meeting at which a quorum is present shall be the act of the Association Board, except as otherwise provided by statute, the Declaration, or these Bylaws.

4.11 Compensation. No Director shall receive compensation for any service he may render to the Association as a Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties; provided, however, that nothing herein contained shall be construed to preclude any Director from serving the Association in any other manner

4.12 Action Taken Without a Meeting. Any action required by law to be taken at a meeting of Directors or any action which may be taken at a meeting of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors.

4.13 Books and Records. The Association Board shall maintain both a record of votes and minutes for each of its meetings and the meetings of its committees. The Association Board shall make such records and minutes, these Bylaws and the Declaration, available at reasonable places and times for inspection by members.

Article V Officers

5.01 Officers. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer as well as such other officers as the Board may from time to time create by resolution. Any two (2) or more offices may be held by the same person except of President and Secretary.

5.02 Election and Term. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 5.03, shall be elected by the Association Board at the regular annual meeting of the Association Board following the annual meeting of the members. Each such officer shall serve until the next annual meeting of the Association Board and until his successor is elected and qualified or until he shall resign or shall be removed or otherwise be disqualified to serve.

5.03 Special Appointment. The Association Board may appoint and may empower such officers, other than those described in Section 5.01 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 are provided in these Bylaws or as the Association Board may from time to time determine.

5.04 Removal and Resignation. Any officer may be removed, either with or without cause, at any time by the Association Board or by any officer upon whom such power of removal may be conferred by the association Board; provided, however, that no such officer shall remove an officer chosen by the Association Board. Any officer may resign at any time by giving written notice to the Association Board or to the President or the Secretary of the Association. Any such resignation shall take effect at the date of the 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.

5.05 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by the Association Board at any meeting thereof, and the officer so appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

5.06 Compensation of Officers. The Association Board shall fix the compensation of all officers of the Association, to the extent permitted by the Declaration.

5.07 Duties. The officers of the corporation shall, except as otherwise provided by law, by the Declaration, by the Articles, by these Bylaws, or by the Association Board, each have such powers and duties as may from time to time be specifically conferred as imposed by the Association Board. The President shall be the chief executive officer of the corporation.

ARTICLE VI MEETINGS OF MEMBERS

6.01 Annual Meeting. The first annual meeting of members shall be held no later than one (1) year after the date of incorporation of the Association for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. Thereafter, the annual meeting of Members will be held on the calendar anniversary of the first annual meeting; provided, however, that the Association Board may, by resolution, fix a date for the meeting no more than ninety (90) days before or after said date. If the day for the annual meeting of members is a legal holiday, the meeting shall be held on the first day following which is not a legal holiday.

6.02 Special Meetings. Special meetings of the members may be called at any time by the President, by any three (3) or more members of the Association Board, or upon written request received from at least ten (10%) percent of the Class A, Class B, Class C, and Class D members in good standing (considered in the aggregate as a single group). Such written request shall state the purpose or purposes of the meeting and the matters to be acted upon at the meeting. The business to be transacted at such special meeting shall be confined to the purposes stated in the notice of that meeting.

6.03 Place of Meeting. Except as otherwise provided herein, the Association Board may designate any time and any place within Richland or Lexington Counties, South Carolina, as the time and place for any meeting of members.

6.04 Notice of Meetings and Referendums. Written notice of each meeting of members, Public Hearings or referendums shall be given by, or at the direction of, the Secretary of the Association, or the person authorized to call such meeting, by delivering notice thereof personally or by postage-prepaid, first-class mail, thirty (30) days before the date of the meeting, to the address of each member entitled to vote thereat as set forth on the books of the Association. Such notice shall specify the place, date and hour of the meeting, and, unless it is an annual meeting, the purpose or purposes for which the meeting, hearing or the referendum is called and the name of the person or group who has called the meeting. At such time when the Association shall have more than five hundred (500) members, the notice of meeting may be served by publication, in lieu of mailing, in a newspaper published and circulated in Richland and Lexington Counties,

South Carolina, once a week for three (3) successive weeks next preceding the date of the meeting, and in addition the notice of meeting shall be conspicuously posted in Harbison at three (3) public places.

6.05 Quorums. In the absence of a quorum at any meeting of the members, the members present may adjourn the meeting from time to time without the notice other than announcement at the meeting, until a quorum shall be present or represented, at which time any business may be transacted at the meeting as originally called. The presence in person or by proxy of persons qualified to vote under Article III hereof in the following percentages shall be required in order to constitute a quorum for the transaction of business at any meeting of the members:

(a) Twenty (20%) percent of the membership of Class A members qualified to vote under Article III hereof;

(b) Twenty (20%) percent of the membership of Class B and Class C members qualified to vote under Article III hereof;

(c) Twenty (20%) percent of the membership of Class C and Class D members qualified to vote under Article III hereof, unless the issue being voted upon, and for which a quorum is sought, is not required to be voted upon by the Class D members under the Declaration; and

(d) the Class E member.

6.06 Proxies. Each member (including the legal representative of an owner) entitled to vote under Article III hereof at a meeting of the members may vote in person or by proxy. A proxy shall be in writing, subscribed by the member or his duly-authorized-attorney-in-fact or other legal representative, dated and filed with the Secretary of the Association. No proxy shall be valid after the expiration of eleven (11) months from the date thereof. Every proxy shall be revocable at the pleasure of the member executing the same, except as otherwise provided by law.

6.07 Voting. Unless otherwise specified by law, in the Declaration, in the Articles, or in these Bylaws, an affirmative vote of a majority of those entitled to vote who are present in person or by proxy at a meeting of members at which a quorum is present shall be required for approval of any matter by members. In the event that a matter requires the approval of a specified class of members, the affirmative vote of a majority of the members of such class present in person or by proxy and entitled to vote shall be so required, and in the event that a matter requires the approval of all of the members taken in the aggregate as a single group, a majority of all of the members of all classes present in person or by proxy and entitled to vote shall be so required.

ARTICLE VII COMMITTEES

7.01 Committees of Directors. The Association Board, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in the resolution, shall have and exercise authority to advise the Association Board in the management of the affairs of the Association; provided, however, that no such committee shall finally exercise the authority of the Association Board.

7.02 Other Committees. The Association Board shall establish a DDRC and one or more RDRCs as provided in the Declaration. The DDRC and RDRCs shall have such duties and obligations and such rights, powers, and authority as are provided in the Declaration. Other committees not having and exercising the authority of the Board of Directors or the DDRC or an RDRC in the management of the affairs of the Association may be designated by a resolution adopted by the Board of Directors to perform such duties and to have such powers as may be provided in the resolution.

7.03 Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the Declaration, the Articles, these Bylaws, or the resolution of the Association Board designating the committee, or with any rules adopted by the Association Board.

ARTICLE VIII
MISCELLANEOUS

8.01 Amendments. So long as the Class E member has the right to elect an absolute majority of the Association Board the Bylaws may be amended at a regular or special meeting of the members held pursuant to these Bylaws by the affirmative vote of not less than two-thirds of the total number of members of each class, voting separately as a class. After the Class E member no longer has the right to elect an absolute majority of the Association Board these Bylaws may be amended at a regular or special meeting of the Association Board by the affirmative vote of two-thirds of the entire membership of the Association Board.

8.02 Conflicts. In the event of any conflict between the Articles and these Bylaws, the provisions of the Articles shall control. In the event of any conflict between the Declaration and these Bylaws, the Declaration shall control.

8.03 Fiscal Year. Each fiscal year of the Association shall commence on January 1 and end on December 31 of every year, except that the first fiscal year shall begin on the date of incorporation.