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2006 APR 19 AM 10:31

MARGARET L. BAILEY
DORCHESTER COUNTY, SC

BYLAWS
OF
STEEPLE POINT HOMEOWNERS ASSOCIATION, INC.

A South Carolina Nonprofit Mutual Benefit Corporation

Pursuant to the provisions of the South Carolina Nonprofit Corporation Act, the Board of Directors of Steeple Point Homeowners Association, Inc., a South Carolina nonprofit mutual benefit corporation, has adopted the following Bylaws for such corporation.

ARTICLE I
NAME AND PRINCIPAL OFFICE

1.1 Name. The name of the nonprofit corporation is "Steeple Point Homeowners Association, Inc.," hereinafter referred to as the "Association."

1.2 Offices. The principal offices of the Association shall be in South Carolina.

ARTICLE II
DEFINITIONS

2.1 Definitions. Except as otherwise provided herein or required by the context hereof, all capitalized terms defined in the Covenants, Conditions, Restrictions, Reservations, Grants and Easements for Steeple Point Townhouses (the "Covenants") recorded in the Dorchester County RMC Office on July 26, 2004, in Book 4249, at Page 39, and all amendments or Supplemental Restrictive Covenants thereto filed for record from time to time in the RMC Office for Dorchester County, South Carolina, shall have such defined meanings when used in these Bylaws. In the event of a conflict between the Covenants and these Bylaws, the Covenants shall rule.

ARTICLE III
MEMBERS

3.1 Members. Each Owner of a lot shall be a Member of the Association. The rights and authority of Members are limited to the extent set forth in the Covenants or these Bylaws.

3.2 Notice of Ownership. In order to confirm Membership, upon purchasing a Lot the Owner of such Lot shall promptly furnish to the Association a legible copy of the instrument conveying ownership to the Owner, which copy shall be maintained in the records of the Association.

3.3 Voting by Members. Each Owner of a Lot shall have one (1) vote for each Lot owned and the Declarant shall maintain those rights as set forth in the Covenants as long as Declarant shall own one (1) Lot.

SUMMERVILLE HOMES
136 W. RICHARDSON AVE
SUMMERVILLE, SC 29403

3.4 Authority of Person Voting. The Board shall have the authority to determine, in its sole discretion, whether any person claiming to have authority to vote for a Member has such authority. If the Member is a corporation, partnership, limited liability company, trust, or similar entity, the Association may require the person purporting to vote for such Member to provide reasonable evidence that such person (the "Representative") has authority to vote for such Member. Unless the authority of the Representative is challenged in writing at or before the time of voting, or is challenged orally at the time of voting, the Association may accept such Representative as a person authorized to vote for such Member, regardless of whether evidence of such authority is provided.

ARTICLE IV BOARD OF DIRECTORS

4.1 General Powers. The Board of Directors shall manage the property, affairs, and business of the Association. The Board may exercise all of the powers of the Association, whether derived from law, the Covenants, the Articles of Incorporation, or these Bylaws, except such powers as are expressly vested in another Person by such sources. The Board shall constitute the final administrative authority of the Association, and all decisions of the Board shall be binding upon the Association. The Board may by written contract delegate, in whole or in part, to a Management Agent or Agents, such of its duties, responsibilities, functions, powers, or those of any officer, as it determines are appropriate.

4.2 Number, Tenure, and Qualifications.

4.2.1 Declarant and/or its assigns shall be the initial member(s) of the Board of Directors and shall remain a member of the Board until Declarant appoints at least five (5) Owners to the Board or Declarant no longer owns any lots in Steeple Point, whichever occurs first. The initial appointed Board of Directors shall consist of not less than five (5) nor more than seven (7) individuals. All members of the Board of Directors must be Members of the Association. Declarant shall have the right to appoint the initial Board of Directors. All initial Directors appointed by Declarant shall serve a term of one (1) year, or until the first election is held by the Association, whichever occurs first.

4.2.2 The successor Board to that Board initially appointed by Declarant shall be selected as follows:

- A. The successor Board shall consist of not less than five (5) nor more than seven (7) individuals. All Directors must be members of the Association. The initial Board appointed by Declarant shall constitute a Nominating Committee to nominate competent and responsible individuals to serve as Directors of the Association. The President or Secretary of the Association shall cause notice to be given to all Members that a meeting shall be held at a designated time and place in Dorchester County not earlier than fifteen (15) nor later than fifty (50) days after the date such notice is given for election of Directors. The notice shall contain the names of those individuals recommended by the Nominating Committee,

but shall note that Members may make other nominations at the meeting. If there are five (5) Directors, three (3) Directors will be elected for three (3) year terms and two (2) Directors for two (two) year terms. If there are seven (7) Directors, four (4) Directors will be elected for three (3) year terms and three (3) Directors will be elected for two (2) year terms.

- B. At the meeting and each subsequent election of Directors, each Member shall be entitled to cast, personally or by written proxy in form approved by the acting Board, such votes as are permitted by Section 3.3.
- C. After giving the Members (or proxy holders) attending such meeting the opportunity to nominate other Persons, with a second by another Member or proxy holder, the Directors shall be elected by written secret ballot. Each Member shall be authorized to cast as many votes as the number of Directors to be elected. (Example: If three Directors are being elected, then a Member owning one Lot may vote once each for three different nominees. If the Member were to own two Lots, then the Member may cast two votes each for three nominees, or cast one vote each for six different nominees.) Those nominated individuals receiving the highest number of votes shall be the Directors.
- D. In subsequent elections for Directors, the same procedure as set forth above shall be followed, and a number of Directors sufficient to succeed those Directors whose terms are to expire shall be elected to two (2) year terms.

4.3 Annual and Regular Meetings. The annual meetings of the Board of Directors shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year, provided that the date for such annual meetings may be deferred by the Board of Directors. Regular meetings of the Board of Directors shall be held on such dates as the Board may determine.

4.4 Special Meetings. Special meetings of the Board may be called by or at the request of two (2) Directors, or if there are only two (2) Directors, then any Director. The Director(s) calling a special meeting of the Board may fix any place within Dorchester County, South Carolina (or such other place as is approved by all Directors) as the place for holding such a meeting. Except as otherwise required or permitted by the South Carolina Nonprofit Corporation Act, notice of any special meeting of the Board shall be given at least two (2) days prior thereto. Notice shall be in accordance with the procedure set forth in Section 10.1, provided that notice may also be given by facsimile transmission if the Director given such notice has provided a facsimile number to the Association and the sender receives electronic or other written confirmation of receipt. Any Director may waive notice of a meeting.

4.5 On Quorums, Telephonic Meetings and Manner of Acting. A simple majority of the number of Directors shall constitute a quorum for the transaction of business at any properly called meeting of the Board of Directors. Upon approval of a majority of the Board, a meeting

may be conducted by any electronic means that permits all those Directors participating in the meeting to communicate simultaneously (such as a telephone conference call.) Any act approved by a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. The Directors shall act only as a Board and individual Directors shall have no powers as such.

4.6 Compensation. No Director shall receive compensation for any services that he may render to the Association as a Director; provided, however, that Directors may be reimbursed for expenses incurred in performance of their duties as Directors and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as Directors.

4.7 Resignation and Removal. A Director may resign at any time by delivering a written resignation to either the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director may be removed at any time, with or without cause, by proper action of the Person(s) having the right to designate or elect Directors at the time of removal (i.e. by Declarant during the term of the initial Board, or by the Members, as set forth in Sections 4.2.1 and 4.2.2, above.)

4.8 Vacancies. If a vacancy shall occur in the Board by reason of the death or resignation of a Director, then such vacancy shall be filled by vote of the remaining Directors. If a vacancy shall occur in the Board by reason of removal, then such vacancy shall be filled solely by vote of the Person(s) then having the right to designate or elect Directors (i.e. by Declarant during the term of the initial Board, or by the Members, as set forth in Sections 4.2.1 and 4.2.2, above.) Any Director designated or appointed to fill a vacancy shall serve for the unexpired term of his predecessor.

4.9 Informal Action by Directors. Any action that is required or permitted to be taken at a meeting of the Board may be taken without a meeting, if a consent in writing setting forth the action so taken shall be signed by all of the Directors.

ARTICLE V OFFICERS

5.1 Number. The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board may from time to time appoint.

5.2 Election, Tenure, and Qualifications. The officers of the Association shall be chosen by the Board at the regular annual meeting of the Board. In the event of failure to choose officers at such regular annual meeting of the Board, officers may be chosen at any subsequent regular or special meeting of the Board. Each officer (whether chosen at a regular annual meeting of the Board or otherwise) shall hold his office until his successor shall have been chosen and qualified, or until his death, or until his resignation or removal in the manner provided in these Bylaws, whichever first occurs. Any one individual may hold any two or more of such offices, except that the President may not also be the Secretary or Treasurer. No

individual holding two or more offices shall act in or execute an instrument in the capacity of more than one office. Each officer must be a Member of the Association.

5.3 Subordinate Officers and Agents. The Board may from time to time appoint such other officers or agents as it deems advisable, each of whom shall have such title, hold office for such periods, have such authority, and perform such duties as the Board may from time to time determine. The Board may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. It is not necessary that a subordinate officer or agent be a Director or an Owner.

5.4 Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board at any time, for or without cause.

5.5 Vacancies and Newly Created Offices. If any vacancies shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board at any regular or special meeting.

5.6 The President. The President shall preside at meetings of the Board and at meetings of Members called by the Association. The President shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things that the Board may require of him; provided that the Board may authorize other officers or Persons to act on specific matters by proper resolution of the Board.

5.7 The Vice President. The Vice President shall preside in the absence of the President and shall do and perform all other acts and things that the Board may require of the Vice President.

5.8 The Secretary. The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Covenants, or any resolution of the Board may require him to keep. The Secretary shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. The Secretary shall perform such other duties as the Board may require of the Secretary.

5.9 The Treasurer. The Treasurer shall have custody and control of the funds of the Association, subject to the action of the Board, and shall, when requested by the President or the Board to do so, report the state of the finances of the Association. The Treasurer shall perform such other duties as the Board may require of the Treasurer.

5.10 Compensation. No officer shall receive compensation for any services that he may render to the Association as an officer; provided further, however, that officers may be reimbursed for expenses incurred in performance of their duties as officers and, except as

otherwise provided in these Bylaws, may be additionally compensated for services rendered to the Association other than in their capacities as officers.

ARTICLE VI COMMITTEES

6.1 Designation of Committees. The Board may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder shall consist of such number as the Board shall determine. No committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as committee members and (except as otherwise provided by these Bylaws) may be compensated for services rendered to the Association other than in their capacities as committee members. It is not necessary that a committee member be a Director, an officer, or a Member of the Association.

6.2 Proceedings of Committees. Unless appointed by the Board, each committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and time and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board. Unless expressly delegated to the committee by the Board, the power and authority of each committee shall only be to make recommendations to the Board, which shall have the final decision whether to take any action or not.

6.3 Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board, the presence of committee members constituting at least a majority of the authorized membership of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the committee members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board hereunder shall act only as a committee, and the individual committee members thereof shall have no powers as such.

6.4 Resignation and Removal. Any committee member designated hereunder by the Board may resign at any time by delivering a written resignation either to the President, the Board, or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, for or without cause, remove any member of any committee designated by it hereunder.

6.5 Vacancies. If any vacancy shall occur in any committee designated by the Board hereunder due to disqualification, death, resignation, removal, or otherwise, the remaining committee members shall, until the filling of each vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.

ARTICLE VII

INDEMNIFICATION

7.1 Indemnification. The Association shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding (including a proceeding brought by the Association) whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director, officer, employee, or agent of the Association, against expenses (including reasonable attorney's fees), judgments, fines, and amounts paid in settlement in connection with such action, suit, or proceeding, if the indemnified person (a) acted in good faith, without fraudulent intent or gross negligence (or, if the action is brought by the Association, without negligence or breach of any contractual or fiduciary obligation to the Association), and in a manner such person reasonably believed to be in or not opposed to the best interest of the Association, and (b) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, or settlement, or plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

7.2 Determination. If a Director, officer, employee, or agent of the Association is successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 7.1, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including reasonable attorney's fees) actually and reasonably incurred by such person in connection therewith. Any other indemnification under Section 7.1 hereof shall be made by the Association only upon a determination that indemnification of the Director, officer, employee, or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth respectively in Section 7.1 hereof. Such determination shall be made by the Board by a majority vote of a quorum consisting of Directors excluding the Person whose indemnification is being considered.

7.3 Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board (excluding the Person whose indemnification is being considered) and upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article.

7.4 Scope of Indemnification. The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Covenants, Articles of Incorporation, Bylaws, agreements, vote of disinterested Members or Directors, or applicable law. The indemnification authorized by this Article shall apply to all present and future Directors, officers, employees, and agents of the Association and shall continue as to such Persons who cease to be Directors, officers, employees,

or agents of the Association and shall inure to the benefit of the heirs and legal representatives of all such Persons.

7.5 Insurance. The Association may purchase and maintain insurance on behalf of any Person who was or is a Director, officer, employee, or agent of the Association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the Bylaws or the laws of the State of South Carolina, as the same may hereafter be amended or modified.

7.6 Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute Common Expenses of the Association and shall be paid with funds of the Association.

ARTICLE VIII FISCAL YEAR AND SEAL

8.1 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January of each year and shall end on the 31st day of December next following, except that the first fiscal year shall begin on the date of incorporation.

8.2 Seal. The Board may by resolution provide a corporate seal that shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the words "Seal" or "Corporate Seal."

ARTICLE IX RULES AND REGULATIONS

9.1 Rules and Regulations. The Board may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Property of the Association, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, the Covenants, or these Bylaws. Without limitation, such rules and regulations may include establishment of reasonable fees for guests or for special use of facilities, if any, in the Common Area, definition of the times and conditions of use of facilities, if any, in the Common Area, and reasonable charges or fines for failure to observe the terms of the Covenants or the rules and regulations. Upon request of any Owner, such Owner shall be provided a copy of the rules and regulations or the Covenants, provided that the Board may charge a reasonable fee to cover any reproduction, mailing or administrative costs involved.

ARTICLE X NOTICES

10.1 Notices. Notices required hereunder shall be deemed given when in writing and delivered by (a) hand, (b) private or public carrier that provides evidence of delivery, with delivery charges prepaid, (c) facsimile, in which event receipt shall be the date of electronic or

written confirmation of receipt, (d) if within the United States, five (5) calendar days after being deposited in the United States Mail, First Class, postage prepaid, or (e) registered or certified mail, return receipt requested, in which event receipt shall be the date the receipt is signed. All notices to Members shall be delivered or sent to such addresses or facsimile telephone numbers as have been provided in writing to the Association, or if no address has been provided, then at the address of any completed Residential Unit owned by such Member, or at the address then shown as that of the owner on the property tax records.

Until the Owners are notified otherwise, all notices to the Association shall be delivered or sent in care of the Association to:

Steeple Point Homeowners Association, Inc.
 Attention: Joseph Florencio
 136 West Richardson Avenue
 Summerville, SC 29483

The Association's address will change from time to time.

ARTICLE XI **AMENDMENT OF BYLAWS**

11.1 Amendment by Association. The Bylaws may be amended by approval of the proposed amendment by vote of two thirds of the acting Board of Directors. Notice of the proposed amendment shall be given to the Board in writing by a Director proposing the amendment and the notice shall contain a general description of the proposed amendment and its purpose. No amendment to the Bylaws that imposes or reasonably can be construed to impose a greater economic or legal burden on Declarant than exists under the provisions of these Bylaws current at the time of the amendment's proposal shall be valid unless it is approved, in writing, by Declarant, and no amendment of the Bylaws that is contrary to this statement shall be valid.

11.2 Amendment by Declarant. Declarant may amend the Bylaws without the consent of the Association, Board, any Owner or any mortgagee if, in Declarant's opinion, such amendment is necessary to (i) bring any provision of the Bylaws or the Covenants into compliance or conformity with the provisions of any applicable government statute, rule or regulation or any judicial determination that is in conflict with the Covenants or the Bylaws; (ii) enable any title insurance company to issue title insurance coverage with respect to any Lots subject to the Covenants; (iii) enable any mortgagee to make mortgage loans on any Lot or other improvement subject to the Covenants; (iv) enable any government agency or private mortgage insurance company to insure mortgages on the Lots subject to the Covenants; (v) enable any insurer to provide insurance required by the Covenants; or (vi) clarify any provision of the Bylaws or the Covenants or eliminate any conflict between provisions of the Bylaws and/or the Covenants.

