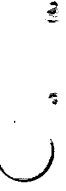


Audubon Oaks
Covenants & Bylaws

BYLAWS
of
AUDUBON OAKS
SUBDIVISION
HOMEOWNERS'
ASSOCIATION, INC.

Created October 20, 1994

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BYLAWS OF
AUDUBON OAKS SUBDIVISION HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the Corporation is AUDUBON OAKS SUBDIVISION HOMEOWNERS' ASSOCIATION, INC. , hereinafter referred to as the "Association." The principal office of the Corporation shall be located at 4400 ST. ANDREWS RD. , COLUMBIA, SOUTH CAROLINA 29210, but meetings of Members and Directors may be held at such places within the state of South Carolina, County of LEXINGTON as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to the AUDUBON OAKS SUBDIVISION HOMEOWNERS' ASSOCIATION, INC. , its successors and assigns.

Section 2. "The Properties" shall mean and refer to all property including lots and common areas, as are subject to the Declaration as defined herein, and which are described in Schedule A of the Declaration together with any additional phases that may be developed pursuant hereto.

Section 3. "Common Areas" shall mean and refer to those areas of land shown on any subdivision map of The Properties or by any other means so designated. Such areas are intended to be devoted to the common use and enjoyment of Members of the Association as herein defined and are not dedicated for use by the general public.

Section 4. "Lots" shall mean and refer to any plot of land with such improvements as may be erected thereon intended and subdivided for dwelling home use, shown on any subdivision map of The Properties, but shall not include Common Areas as herein defined.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title of any

lots, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of the foreclosure. Said term "Owner" shall also refer to the heirs, successors, and assigns of any Owner.

Section 6. "Developer" shall mean and refer to THE MUNGO COMPANY, INC. , a Corporation organized and existing under and pursuant to the laws of the State of South Carolina, its successors and assigns, in the development of The Properties.

Section 7. "Member" shall mean and refer to all those Owners who are Members of the Association, as provided in Article IV of the Declaration.

Section 8. "Development", "Project", and "Community", shall mean and refer to AUDUBON OAKS SUBDIVISION and/or any additional phases of AUDUBON OAKS SUBDIVISION to be developed and constructed by the Developer.

Section 9. "Plans", "Specifications", "Elevations", "Exterior Designs", and such like terms shall refer to and encompass the plans, specifications, elevations, and designs as well as set backs, locations, etc. contained hereinafter in this document or in the Declaration of Covenants, Restrictions, Easements, Charges and Liens for AUDUBON OAKS SUBDIVISION dated AUGUST 9, 1994, and recorded in the Office of the RMC for RICHLAND County in Deed Book D1214, at page 191.

Section 10. "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions, Easements, Charges and Liens for AUDUBON OAKS SUBDIVISION dated AUGUST 9, 1994, and recorded in the Office of the RMC for RICHLAND County in Deed Book D1214, at page 191, and also any amendment or modification thereof.

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 provide for maintenance, preservation, and architectural control of the residential lots and common area within those certain tract(s) and/or lot(s) of property described in Schedule A attached to the Declaration and incorporated by reference, and to

promote the health, safety and welfare of the residences within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Restrictions, Easements, Charges and Liens for AUDUBON OAKS SUBDIVISION dated AUGUST 9, 1994, and recorded in the Office of the RMC for RICHLAND County in Deed Book D1214, at page 191, hereinafter called the "Declaration," as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth in length;

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

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, mortgage, pledge, deed in trust, or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred upon arrival by members casting two-thirds of all votes of the Association;

(e) Dedicate, sell or transfer all or any part of the common area to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication, sale, or transfer has been signed by Members controlling a majority of all votes of the Association.

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional residential property and common area, provided that any such merger, consolidation, or annexation shall have the assent of

Members of the Association controlling a majority of all votes of the Association;

(g) To have and exercise any and all powers, rights, and privileges which a corporation organized under the nonprofit corporation law of the state of South Carolina by law may now or hereafter have or exercise;

(h) Notwithstanding the purposes and powers of the Association enumerated above, the Association, prior to passage of control to the owners by converting Class B stock to Class A stock as set forth in the Declaration, shall not enter into, either directly or indirectly, contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control in accordance with the Declaration, upon not more than ninety days notice to the other party to the said contract or lease.

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 p.m. If the day for the annual meeting for Members is a legal holiday, the meeting will be held at the same hour on the first 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 Members who are entitled to vote one-fourth of all of the votes of the Class A 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 fifteen days before such meeting to each member entitled to vote thereat, addressed to the Members' 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 the special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth of the votes of each class of 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, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or 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 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 Directors, who need not be Members of the Association; provided, however, that until the first annual meeting there shall be only three Directors.

Section 2. Term of Office. At the first annual meeting, the Members shall have two Directors for a term of one year, two Directors for a term of two years, and one Director for a term of three years; and at each annual meeting thereafter, the Members shall elect successor Directors for terms of three years.

Section 3. 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 successors shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. 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 for the performance of his duties.

Section 5. 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.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election for the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor of the annual meeting. The nominating committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two more Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Directors, to serve from the close of such annual meeting until the close of the next annual meeting and such point shall be announced at each 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 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 of Directors shall be by secret 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 these Bylaws and the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly 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 of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three 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 an act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which each Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, or a period not to exceed sixty days for infraction of published rules and regulations;

(c) Exercise for the Association of 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) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three consecutive regular meetings of the Board of Directors unless such absence shall be been excused by a majority of the Board, and;

(e) Employ a manager, an independent contractor, or such other employees as they may deem necessary, to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all of 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 of the Class A members who are entitled to vote;

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

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

(1) Fix the amount of annual assessments against each lot at least thirty days in advance of each annual assessment;

(2) Send written notice of each assessment to every owner subject thereto at least thirty days in advance of each annual assessment;

(3) Foreclose the lien against any property for which assessments are not paid within thirty days after due date or to bring an action at law against the owner personally obligated to pay the same;

(d) 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. 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) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

(g) Cause the Common Area to be maintained.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The offices 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 from time to time by resolution create.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members, but until their successors are selected at the first Annual Meeting of The Members, the following persons shall serve in the capacities as set forth beside their respective names:

PRESIDENT: M. STEWART MUNGO
VICE PRESIDENT: STEVEN W. MUNGO
SECRETARY/TREASURER: V. BRYAN GRAHAM, JR.

Section 3. Term. The Officers of this Association shall be elected annually by the Board, and each shall hold office for one year unless he shall sooner resign, or shall be removed, or other wise 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 giving written notice to the Board, the President or 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 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:

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

(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.

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

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by Resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by a Public Accountant at the completion of each fiscal year; 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 X

COMMITTEES

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

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, or other reasonable circumstances, be subject to inspection by any member and by any holder, insurer, or guarantor of any first mortgage. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member, lender, holder, insurer, or guarantor of any first mortgage at the principal office of the Association, where copies may be purchased at reasonable cost.

Upon request, any owner or the holder, insurer, or guarantor of any first mortgage on any lot, shall be entitled to a financial

statement showing the statement of operations and the balance sheet of the Association for the immediately preceding fiscal year.

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay the Association annual and special assessments which are secured by a continuing lien on 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 days after the delinquency the assessment shall bear interest from the date of delinquency at the rate of 8% per annum, and the Association may bring legal action against the owner personally obligated to pay the same or may enforce and foreclose the lien against the lot or lots; and in the event judgment is obtained, such judgement shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. No owner may waive or otherwise escape liability for the assessment provided for herein by non use of the Common Area or abandonment of his lot.

ARTICLE XIII

CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: AUDUBON OAKS SUBDIVISION HOMEOWNERS' ASSOCIATION, INC. .

ARTICLE XIV

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B Membership.

Section 2. In the case of any conflict of any 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 XV

MISCELLANEOUS

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.

IN WITNESS WHEREOF we, being all of the Directors of AUDUBON OAKS SUBDIVISION HOMEOWNERS' ASSOCIATION, INC. have hereunto set our hands and seals this 20 day of October, 1994 .

WITNESSETH:

Maureen Aymer
A C Co

M. STEWART MUNGO

STEVEN W. MUNGO

V. BRYAN GRAHAM, JR.

STATE OF SOUTH CAROLINA) PROBATE
COUNTY OF LEXINGTON)

PERSONALLY APPEARED before me the undersigned witness who, on oath, deposes and says that (s)he saw the within named M. STEWART MUNGO, STEVEN W. MUNGO and V. BRYAN GRAHAM, JR. , sign, seal and as their act and deed deliver the within written Bylaws for the uses and purposes therein mentioned, and that (s)he with the other witness whose names appear above, witnessed the execution thereof.

SWORN TO BEFORE ME THIS

22 DAY OF October, 1994 .

NOTARY PUBLIC FOR SOUTH CAROLINA

MY COMMISSION EXPIRES: 1/3/96

Madeleine Cromer
WITNESS

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