

BY-LAWS

OF

OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Corporation is Olde Towne Villas Homeowners Association, Inc. The principal office of the Association is located at 1 Leila Lane, County of Charleston, South Carolina 29414-7313. All meetings of members and directors shall be held at the address indicated above or as designated by the Board of Directors. * ***

ARTICLE II

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of any Lot or Townhouse which is subject by covenants of record to assessment by the Association shall be a member of the Association. Owners of Townhouses or Lots shall have one membership for each Townhouse or Lot owned. Every owner is subject to assessment by the Association. Owners of more than one Townhouse or Lot shall be assessed for each house or lot owned. Owners of Townhouses or Lots are entitled by one vote. * ***

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed 60 days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE III

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Covenants. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member. ***

Section 2. Deleted ***

ARTICLE IV

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, who must be Townhouse owners of Olde Towne Villas. * ***

Section 2. Election. At each annual meeting, the members shall elect three directors and fill any other vacancies existing at that time. *

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 successor may 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 the Association without prior approval from a majority (5) of the Board. However, any director may be reimbursed for his actual expenses incurred in 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 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 V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board. *

Section 2. Special Meetings. Special meeting of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after no 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. A board member may vote by written proxy if absent from a meeting. * ***

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 of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least 90 days prior to each annual meeting of the members. 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 shall be made only from among owners of Olde Towne Villas. * ***

Section 2. Election. Election to the Board of Directors shall be by

such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. * ***

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

a) To adopt and publish rules and regulations governing the use of the Common Areas and facilities, the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

b) To exercise for the association all powers, duties, and authority vested in or delegated to this Association not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration; ***

c) 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 without cause; and ***

d) To employ a manager, an independent contractor, or such other employees as they deem necessary and to prescribe their duties.

e) Suspend the voting rights and the right to use of the recreational facilities of a member during any period during which such member shall be in default of any payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of public rules and regulation.

f) The Board of Directors shall be authorized to impose minimum insurance requirements for all villas, to require proof that such insurance is in effect, to impose such sanctions and/or take such actions as it deems appropriate with respect to non-compliance with any such insurance requirements and to obtain, with majority approval of the members, one or more "package" insurance policies for individual units/buildings as authorized in Article IV, Section 12 of the Covenants.****

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

a) To keep a complete record of all its acts and corporate affairs and periodically inform the membership;

b) To supervise all officers, agents and employees of this Association and to see that their duties are properly performed through the written job descriptions. * ***

c) As more fully provided herein and in the Covenants:***

1) To fix the amount of the annual assessment (regime fee) against each townhouse or lot at least thirty (30) days in advance of each annual assessment period, as hereinafter provided in Article XI, and *

- 2) To provide written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; *
- 3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;
 - d) To issue, or to cause an appropriate office 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. Such certificates shall be conclusive evidence of any assessment therein stated to have been paid;
 - e) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on 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 exterior of the dwellings to be maintained.

ARTICLE VIII

COMMITTEES

Section 1. The Association Board shall appoint an Architectural Control Committee as provided in the Covenants consisting of three or four members of the Board, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes including * ***

a) an Audit Committee which shall supervise the annual audit of the Association's books, and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The treasurer shall be an ex-officio member of the Committee. *

Section 2. It shall be the duty of each committee chairman to receive complaints from members on any matter involving Association functions, duties and activities within their field of responsibility. They shall dispose of such common complaints as it deems appropriate to other committee chairmen of the Association, referring the others to the Board of Directors for their consideration when concerned with the matter presented. ***

ARTICLE IX

MEETINGS OF MEMBERS

Section 1. Annual Meetings. Annual meetings shall be held on approximately the same date each year, hour and day to be announced by the Board of Directors. *

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 twenty-five percent (25%) of the entire membership. * ***

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given 15 days prior to the meeting at the direction of the secretary or person authorized to call meetings (except thirty (30) days when required by the Covenants, Article IV, Sections III and IV). By furnishing copy of such notice, it shall specify the place, day, hour and purpose of the meeting. * ***

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes shall constitute a quorum for any action except as otherwise provided in these By-Laws. If, however, such quorum shall not be present or represented by proxy 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 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 from the homeowner and signed by the homeowner prior to opening of the meeting. Proxies should be received in envelope marked "Proxy" sent by Olde Towne Villas. Every proxy shall be revocable. * ***

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, vice-president, secretary, and treasurer who shall at all times be members of the Board of Directors and such other officers as the Board may from time to time by resolution create. ***

Section 2. Election of Officers. The election of officers shall take place within 15 days following each annual meeting of the members. * ***

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one(1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Deleted ***

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 in the manner prescribed for regular election. The officer elected 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 the other offices. ***

Section 8. Duties. The duties of the officers are as follows:

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

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.

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 the members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Treasurer - The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; keep proper books of accounts; cause an independent financial examination of such form and type, as the Board deems appropriate, with a formal audit at least every three years, to be done 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 to each of the members. All checks shall require signatures of two Board Members authorized to sign. * ***

ARTICLE XI

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Covenants, each member is deemed to covenant and agree to pay: ***

- (1) to the Association, annual assessment or charges and
- (2) to the Association, special assessments for capital improvements.

The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of protecting the recreation, health, safety and welfare of the residents in the properties, and in particular, for the improvement and maintenance of the properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Properties.

Section 3. Basis and Maximum of Annual Assessments. ***

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.

(b) The maximum annual assessment may be increased by vote of the members provided that any such change shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be given to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. *

(c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting, setting forth the purpose of the meeting. ***

Section 5. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 6. Quorum for Any Action Authorized Under Sections 3 and 4. The presence at the meeting of members or of proxies entitled to cast sixty (60) percent of all the votes of members shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in Sections 3 and 4 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. *

Section 7. The Board of Directors shall fix the amount of the annual assessment (regime fee) against each townhouse or lot at least thirty (30) days in advance of each annual assessment period. Written notice of the

annual assessment (regime fee) shall be given to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand at any time, furnish a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specified townhouse or lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid. *

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment 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 may bear interest from the date of delinquency, at the rate of eight (8) percent per annum plus a late fee in the amount of \$10.00 per month ** 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, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. 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 property. A \$20.00 charge for returned checks, or an amount designated by the Board of Directors, shall be assessed against any owner or renter presenting payment for regime or other fees. * **

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot which is subject to any mortgage, pursuant to a decree of foreclosure thereof, shall extinguish the lien of such assessment as to payments thereof which became due prior to such sale of transfer. No such sale or transfer shall relieve the lot from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust, or deeds of trust.

Section 10. Exempt Property. The following property subject to the Covenants shall be exempt from the assessments created therein: ***

(a) all properties dedicated to and accepted by a local public authority;

(b) the Common Area, and

(c) all properties owned by a charitable or non profit organization exempt from taxation by the laws of the State of South Carolina. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

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. The Covenants and By-Laws 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 cost. ***

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. *

Section 2. In the case of any conflict between the Directors and these By-Laws, the Covenants shall govern. ***

- * Amendment dated August 28, 1983
- ** Amendment dated December 16, 1990
- *** Amendment dated May 3, 1992
- **** Amendment dated September 25, 1994

State of South Carolina]	RESTATED AND REVISED RESTRICTIVE
]	COVENANTS AND CONDITIONS FOR OLDE
County of Charleston]	TOWNE VILLAS .

WHEREAS, HALLMARK INVESTORS , LIMITED, the developer of a townhouse project known as OLDE TOWNE VILLAS , and has placed of record a certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS on said project, which restrictions and amendments are recorded in the RMC Office for Charleston County in Book W101, page 431, Book Y103, page 2, Book N105,page 54, Book N105,page 55 , Book V111, page 409 , and

WHEREAS, Article X Section 3 provides that after twenty years the Covenants can be amended "by not less than seventy- five percent (75%) of the Lot Owners" and

WHEREAS, more than seventy-five percent (75%) of the Lot Owners in OLDE TOWNE VILLAS by recorded vote of the OLDE TOWNE VILLAS HOME OWNERS ASSOCIATION are desirous of consolidating the restrictions and amendments and modifying the same and rendering the aforementioned restrictions and amendments otherwise null and void .

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the undersigned, for themselves, and all lot owners in Olde Towne Villas, their successors, heirs and assigns, agree that the property described in Exhibit "A" attached hereto being all of the property of Olde Towne Villas shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of and which shall run with, the real property and be binding upon all parties having any right ,title or interest in the described properties or any part thereof, their heirs, successors, and assigns , and shall inure to the benefit of each owner thereof.

ARTICLE 1 DEFINITIONS

Section 1. "Association" shall mean and refer to OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION INC., its successors and assigns.

Section 2. "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 3. "Properties" shall mean and refer to that certain real property herein before described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

- Section 4. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the owners. The Common Area owned by the Association is described as follows: All real property within the tract not designated as a "lot" to which fee simple title can be acquired and not dedicated to the State Highway Department for the use of the general public. Also all improvements erected, other than on a "lot", to include clubhouse, pools, playgrounds, maintenance buildings, tools and equipment and appliances located therein, also underground irrigation system, street lights, shubbery, pavements, streets, drainage easements, and parking.
- Section 5. "Lot" shall mean and refer to any plot of land designated by Lot Number and Block Letter, including patios designated by the Letter "P", and shown upon any recorded subdivision map of the Properties with the exception of the Common Area .
- Section 6. "Declarant" shall mean and refer to Olde Towne Villas Homeowners Association, Inc., its successors and assigns .
- Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.
- Section 8. "Capital Improvements" shall Mean and refer to a valuable addition made to the common area, to an amelioration in the condition of the common area, intended to enhance its value, beauty, or utility, or to adapt it for a new or future purpose.

ARTICLE II PROPERTY RIGHTS

- Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions
- a. the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area
 - b. the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid ; and for a period not to exceed 60 days for any infraction of its published rules and regulations .
 - c. the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the members. No

such dedication or transfer shall be effective unless a agreement signed by two-thirds(2/3) of the members agreeing to such dedication , or transfer has been recorded.

- d. the right of individual owners to the exclusive use of parking spaces as provided in this article;
- e. the right of the Association to limit the number of guests and members;
- f. the right of the Association , in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said properties.

Section 2. Delegation of Use. Any owner may delegate , in accordance with the By-Laws,his right of enjoyment to the Common Area and facilities to the members of his family, his tenants , or contract purchasers who reside on the property

Section 3. Parking Rights. Ownership of each lot shall entitle the owner or owners thereof to the use of not more than two automobile parking spaces, which shall be as near and convenient to said lots as reasonably possible, together with the right of ingress and egress in and upon said parking area. The Association shall permanently assign two parking spaces for each dwelling . Further , prior to any liquidation or dissolution of the Association , the Association shall convey to the owner or each lot the land consisting of the parking spaces then being used by such owner under the terms of this Section 3.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Members shall be all owners with the exception of the Declarant and 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 lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments . The Declarant , for each lot owned within the properties hereby covenants and each owner of any lot by acceptance of a deed therefore whether or not it shall be so expressed in such deed, is deemed to covenant and agreed to pay to the Association :

- a. annual assessments charges , and

- b. special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fee, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties, and for the improvement and maintenance of the Common Area, and of the homes situated on the Properties.

Section 3. Maximum Annual Assessment. Until January 1, of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be Three Hundred Sixty and 00/100 Dollars (\$360.00 per lot.

- a. From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year in conformance with the rise, if any of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July without a vote of the membership.
- b. From and after January 1 of the year immediately following the conveyance of the first lot of an Owner, the maximum annual assessment may be increased above that established by the Consumer Price Index formula by a vote of two-thirds (2/3) of members who are voting in person or by proxy at a meeting called for this purpose.
- c. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including streets, roads, drive lanes, parking areas, drainage easements, and fixtures and personal property, related thereto, provided that such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a rate for all lots and may be collected on a monthly basis

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors, and, unless otherwise provided, the Association shall collect each month from the new owner of each lot one-twelfth (1/12) of the annual assessment of each lot. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an Officer of the Association, setting forth whether the assessments on a specified lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessments, Remedies of the Association. Any assessments which are not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of two percent (2%) over the prime rate per annum, 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, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each owner, by his acceptance of a deed to a Lot, hereby expressly vests in the OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION, or its agents, the right and power to bring all actions against such owner personally for the collection of such charges, as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such

enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on a real property, and such owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Lot owners. The Association, acting on behalf of the lot owners shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding nonpayment of such defaulting owner's portion of the premium. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Lot.

Section 9. Subordination of the Lien to Mortgages. The lien if the assessments provided for herein shall be subordinate to the lien if any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien therefor.

Section 10. Exempt Property. All Properties dedicated to, and accepted by, a local public authority, the Common Area, and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of South Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Management Agreements. Each owner of a lot hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be provided to each owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be canceled by an affirmative vote of fifty percent (50%) of the Members of the Association.

ARTICLE V ARCHITECTURAL CONTROL

Section 1. Control of Architectural Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, material and location of the same shall have been

submitted to and approved in writing as to harmony of exterior design and location in relation to surrounding structures and topography by the Board of Directors of the Association ,or by its architectural committee composed of three (3) or more representatives appointed by the Board . In the event said Board ,or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it , approval will not be required and this Article will be deemed to have been fully complied with .

Section 2. Recording With RMC Office . Plans , specifications and agreements must be registered with the Register of Mesne Conveyance (RMC) office by applicant prior to commencing work . All maintenance to the addition will be the sole responsibility of the homeowner.

ARTICLE VI PARTY WALLS

Section 1. General Rules of Law to Apply . Each wall which is built as a part of the original construction of the homes upon the properties and placed on the dividing line between lots shall constitute a party wall , and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in equal proportions to such use.

Section 3. Destruction By Fire or Other Casualty. If a party wall is damaged by fire or other casualty , then , to the extent that such damage is not covered by insurance and repaired out of the proceeds of same, any Owner who has use of the wall may restore it , and if the other Owners thereafter make use of the wall, they shall contribute to the cost of the restoration thereof in equal proportions without prejudice, however , to the right of such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions .

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article , to the extent that such damage is not covered by and paid by the insurance provided for herein , an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements

Section 5. Right to Contribution Runs with Land . The right of any owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title.

Section 6. Arbitration . In the event of any dispute arising concerning a party wall or under the provisions of this Article , each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator , and the decision shall be by a majority of all the arbitrators . Should any party refuse to appoint an arbitrator within ten days after written request therefore , the Board of Directors of the Association shall select an arbitrator for the refusing party .

ARTICLE VII EXTERIOR MAINTENANCE

Responsibility of Maintenance . The Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder , as follows : paint , repair , replace and care for roofs, gutters, down spouts , and exterior building surfaces. Such exterior maintenance shall not include door sills, windows, window frames, window sills and other hardware or patios.

Trees, shrubs , grass and walls , other than those on the Common Area , are excluded from maintenance by the Board of Directors , and shall be the responsibility of the homeowner . Any damage to the exterior building surfaces or to storage sheds caused by trees , shrubs , or vines in patios will be the responsibility of the homeowner .

In the event that the need for maintenance or repair is caused through willful or negligent act of the owner , his family , or guests, or invitees , and not covered or paid for by insurance on such lot , the cost of such maintenance or repairs shall be added to and become part of the assessment to which such lot is subject .

ARTICLE VIII USE RESTRICTIONS

Section 1. Said property is hereby restricted to residential dwellings for residential use. All buildings or structures erected upon said property shall be of new construction and no buildings or structures shall be moved from other locations onto said property and no subsequent buildings or structures other than townhouse apartment buildings , being single family townhouses joined together by a common exterior roof and foundation , shall be constructed. No structures of a temporary character , trailer , basement , tent , shack, garage , bar , or other building shall be used on any portion of the said property at any time as a residence , either temporarily or permanently .

- Section 2. Each lot shall be conveyed as a separately designed and legally described free hold estate subject to the terms, conditions and provision hereof.
- Section 3. No animals , livestock , or poultry of any kind shall be raised , bred , or kept on any of the said lots ,except that dogs or cats , may be kept , provided that they are not kept , bred , or maintained for any commercial purpose .
- Section 4. No advertising signs (except one of not more than five square feet “FOR RENT” or “FOR SALE” sign per parcel) , billboards , unsightly objects or nuisances shall be erected , placed or permitted to remain in said Property , nor shall said property be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any townhouse or any resident thereof .No business activities of any kind whatsoever shall be conducted in any in any building or in any portion of the said property ; OLE TOWNE VILLAS , a non- profit corporation incorporated under the laws of the State of South Carolina , its successors and assigns ,in furtherance of its powers and purposes as hereinafter set forth .
- Section 5. All clotheslines , equipment , garbage cans , service yards, woodpiles, storage piles, trees and shrubbery shall be kept below the height of the existing fencing so as to conceal them from view of neighboring town houses and streets . All rubbish , trash , or garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon .
- Section 6. Except in the individual patio areas appurtenant to a townhouse , no planting or gardening shall be done , and no fences, hedges or walls shall be erected or maintained upon said property except such as are installed in accordance with initial construction of the buildings located thereon or as approved by the Association’s Board of Directors or their designated representative . Except for the right of ingress and egress , the Owners of lots are hereby prohibited and restricted from using any of the said property outside the exterior building lines , patio , and carport areas, except as may be allowed by the Association’s Board of Directors . It is expressly acknowledged and agreed by all parties concerned that this Paragraph is for the mutual benefit of all owners in OLDE TOWNE VILLAS , and is necessary for the protection of said Owners .
- Section 7. Maintenance , upkeep , and repairs of any patio , patio covers , and enclosures shall be the sole responsibility of the individual owner of the lot appurtenant thereto and in no manner the responsibility of the Board of Directors except for the sixteen (16) original patio covers on Cathedral Lane , which shall be maintained by the Board of Directors. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the common Area and all exteriors and roofs of townhouses and utility sheds ,

including but not limited to , recreation and parking areas and walks , shall be taken by the Board of Directors or its duly delegated representative .

Section 8. All fixtures and equipment installed within a townhouse, commencing at a point where the utility lines , pipes , wires , conduits , or systems enter the exterior walls of a townhouse , shall be maintained and kept in repair by the owner thereof . An owner shall do no act nor any work that will impair the structural soundness or integrity of another townhouse or impair any easement or hereditament nor do any act nor allow any condition to exist which will adversely affect the other townhouses or their owners .

Section 9. Without prior written approval and the authorization of the Board of Directors , no exterior television or radio antennas of any sort shall be placed or allowed or maintained upon any portion of the improvements to be located on the Property , nor any structure situated upon the Property other than an aerial for a master antenna system , should any such master system or systems be utilized and require such exterior antenna.

Section 10. No action shall at any time be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner or Owners in favor of the other owners .

ARTICLE IX EASEMENTS

Section 1. Each townhouse and the property included in the Common Area shall be subject to an easement for encroachments created by construction , settling , and overhangs . A valid easement for said encroachments and for the maintenance of same , so long as it stands , shall and does exist . In the event the multifamily structure containing two or more townhouses is partially or totally destroyed , then rebuilt , the owners of the Townhouses so affected agree that minor encroachments or parts of the adjacent Townhouse unit or Common Areas due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist .

Section 2. There is hereby created a blanket easement upon , across , over and under all of the Common Areas ,for ingress , egress , installation , replacing , repairing , and maintaining all utilities , including , but not limited to , water , gas , sewers , telephones , and electricity , and a master television antenna system . By virtue of this easement , it shall be expressly permissible for the providing electrical and / or telephone company to erect and maintain the necessary poles and other necessary equipment and /or telephone wires , circuits , and conduits , on , above, and across the said common areas . An easement is further granted to all police , fire protection , ambulance , post office , and all similar persons to enter upon the streets and common area in the performance of their duties . Further an easement is hereby granted to the Association, its

officers , agents , employees and to any management company selected by the Association to enter in or to cross over the Common Area to perform the duties of a maintenance , and repair of the Townhouses or Common Areas as provided for herein . Notwithstanding anything to the contrary contained in this paragraph , no sewers , electrical lines , water lines , or other utilities may be installed or relocated on said Property except as initially programmed and approved by the Association's Board of Directors . The easements provided for in this Article shall in no way affect any other recorded easement on said premises .

Section 3. Underground Electrical Service .

- a. Underground single phase electrical service shall be available to all residential townhouses on the aforesaid lots and to the recreation building on the Common Area , and the metering equipment shall be located on the exterior surface of a wall at a point to be designated by the Declarant . The Utility Company furnishing the service shall have a two foot wide easement along and centered on the underground electric power service conductors installed from the Utility Company's easement to the designated point of service on the townhouse structure .
- b. For so long as such underground service is maintained , the electric service to each townhouse and the recreation building shall be uniform and exclusively of the type known as single phase , 120/240 volts,3 wire , 60 cycle alternating current
- c. Easements for the underground service may be crossed by driveways , and walkways , provided that the Declarant or Builder makes prior arrangements with the utility company furnishing electrical service .Such easements for the underground service shall be kept clear of all other improvements , including buildings , patios , or other pavings , other than crossing walkways or driveways, and neither the Declarant nor any utility company using the easement shall be liable for any damage done by either them or their assigns , their agents , employees , or servants to shrubbery , trees , flowers , or other improvements , of the Owner located on the land covered by said easements .

Section 4. "Street Lights" Each resident will be assessed a proportional monthly charge for street lighting service , as prescribed by the South Carolina Public Service Commission .

ARTICLE X GENERAL PROVISIONS

Section 1. Enforcement . The Association , or any Owner , shall have the right to enforce , by any proceeding at law or in equity , all restrictions , conditions , covenants , reservations , liens , and charges now or hereafter imposed by the provisions of this Declaration . Failure by the Association , or by any Owner , to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability . Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment . The Covenants and Restrictions of this Declaration shall run with the land and bind the land , for a term of twenty (20) years , from the date this Declaration is recorded , after which time they shall automatically be extended for successive periods of ten (10) years . This Declaration may be amended by an instrument signed by not less than seventy-five (75%) of the Lot Owners . An Amendment must be recorded.

Gender and Grammar . The singular wherever used herein shall be construed to mean plural when applicable ,and the necessary grammatical changes required to make the provisions hereof apply to corporations or to individuals,men , or women , shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF , OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION,INC has caused these presents to be executed in its name by JAMES F. BISCHOFF its President and by TONIA L. HAMMCK its Secretary and its seal to be affixed this 22 day of APRIL in the year of our Lord one thousand nine hundred and ninety nine and in the two hundred and twenty-third year of the Sovereignty and Independence of the United States of America.

IN THE PRESENCE OF :

OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION,INC

Ernie De Michel

James F. Bischoff

President

Jack L. Greene

Madelene M. Rogers

Tonia L. Hammock

Secretary

The undersigned TONIA L. HAMMOCK who upon oath deposes and says:

1. That he/she is the duly elected and acted Secretary of OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION, Inc., a South Carolina Corporation ;

2. That the foregoing Restated and Revised Restrictive Covenants and Conditions for OLDE TOWNE VILLAS were presented to the members of the Association and were approved by not less than seventy-five percent (75%) of the Lot Owners of OLDE TOWNE VILLAS in accordance with Article X ,Section 3 of these Covenants .

OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION, INC

Sworn to before me this 22

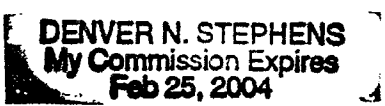
Tonia L. Hammock

day of APRIL, 1999

Secretary, OTVHA

Denver N. Stephens

Notary Public for South Carolina
My commission expires:



STATE OF SOUTH CAROLINA]
]
COUNTY OF CHARLESTON]

ACKNOWLEDGEMENT

I, DENVER N. STEPHENS notary public, do hereby certify
that JAMES F. BISCHOFF, PRESIDENT and TOMIA L. HAMMOCK,
SECRETARY of OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION, INC., personally
appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS, my hand and official seal this the 22 day of APRIL 1999.

Denver N. Stephens (SEAL)
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: _____

DENVER N. STEPHENS
My Commission Expires
Feb 25, 2004

EXHIBIT "A"

ALL that certain lot, piece or parcel of land, situate, lying and being in the County of Charleston, State of South Carolina, known and designated as a 9.29 acre tract of land, as shown and designated on that certain plat entitled, "PHASE I - OLDE TOWNE VILLAS, TOWNHOUSE PLAN OF 9.29 ACRE PART OF A 19.75 ACRE TRACT, SHADOWMOSS COUNTRY CLUB COMMUNITY, LOCATED ON S.C. HIGHWAY NO. 61, CHARLESTON COUNTY, SOUTH CAROLINA", prepared by Sigma Engineers, Inc., dated November 22, 1972 and revised as shown thereon and duly recorded in the RMC Office for Charleston County in Plat Book AD, at page 18. Said parcel of land having such size, shape, dimensions, buttings and boundings as reference to the aforesaid plat will more fully and at large appear.

ALSO

ALL that certain lot, piece or parcel of land, situate, lying and being in the County of Charleston, State of South Carolina, known and designated as a 2.068 acre tract of land, as shown and designated on that certain plat entitled, "OLDE TOWNE VILLAS - PHASE II, LOCATED IN ST. ANDREWS PARISH, CHARLESTON COUNTY, S.C.", prepared by George A. Z. Johnson, Jr., Inc., and duly recorded in the RMC Office for Charleston County on August 30, 1983 in Plat Book BF, at page 36. Said parcel of land having such size, shape, dimensions, buttings and boundings as reference to the aforesaid plat will more fully and at large appear.

STATE OF SOUTH CAROLINA)	FIRST AMENDMENT TO THE
)	BY LAWS OF OLDE TOWNE VILLAS
COUNTY OF CHARLESTON)	HOMEOWNERS ASSOCIATION, INC.

WHEREAS, Olde Towne Villas Homeowners Association, Inc. (hereinafter the "Association") is the homeowners association for Olde Towne Villas, Charleston County, South Carolina; and

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Olde Towne Villas, dated May 10, 1973, and recorded in the RMC Office for Charleston County in Deed Book W 101 at Page 431, provides in Article IV, Section 12 that the Board of Directors of the Association shall have the authority to and shall obtain insurance for the buildings, including all individual units, unless the owners thereof have supplied proof of adequate coverage to the Board of Directors' complete satisfaction, against loss or damage by fire or other hazards and in amounts sufficient to cover the full replacement costs of any repair or construction work in the event of damage or destruction from any hazard; and

WHEREAS, at a duly called meeting of the members of the Association held on September 17, 2000, it was resolved to amend Article VII, Section 1, (f) of the Bylaws of Olde Towne Villas Homeowners Association, Inc. to provide for mandatory termite protection for all villas within the property.

NOW, THEREFORE, upon motion of the Board of Directors of Olde Towne Villas Homeowners Association, Inc. and the vote of a majority of a quorum of members present at the September 17, 2000, members meeting, Article VII, Section 1, (f) of the Bylaws of Olde Towne Villas Homeowners Association, Inc. is hereby amended to read as follows:

"The Board of Directors shall be authorized to impose minimum insurance and termite protection requirements for all villas, to require proof that such

insurance and termite protection is in effect, to impose such sanctions and/or take such actions as it deems appropriate with respect to non-compliance with any such insurance and termite protection requirements and to obtain, with majority approval of the members, one (1) or more "package" insurance policies and termite protection bonds for individual units/buildings as authorized in Article IV, Section 12, (f) of the Covenants."

IN WITNESS WHEREOF Olde Towne Villas Homeowners Association, Inc. has caused this instrument to be executed this 16 day of October, 2001.

Witnesseth:

OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION, INC.

Mara Williams
Denver N. Stephens

By: T.A. Salvo
Its: President

I, Marian C. Winner, the Secretary of Olde Towne Villas Homeowners Association, Inc. do hereby certify that, at a duly called meeting of the members of the Association conducted on September 17, 2000, the amendment to the Bylaws herein was affirmed by a majority of a quorum of members of the Association.

Marian C. Winner
Secretary of Olde Towne Villas Homeowners Association, Inc.

(SEAL)

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF CHARLESTON)

I, DENVER N. STEPHENS, do hereby certify that OLDE TOWNE VILLAS HOMEOWNERS ASSOCIATION, INC., by T. A. SALVO

Its President, personally appeared before me this day and acknowledged due execution of the foregoing instrument.

Witness my hand and official seal this 16 day of October, 2001.

Denver N. Stephens
NOTARY PUBLIC - South Carolina
My Commission Expires: _____

DENVER N. STEPHENS
My Commission Expires
Feb 25, 2004

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BARR, UNGER & McINTOSH, L.L.C.

LTW

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC