

1 - 2 - 2000

BY-LAWS
A Not for Profit Corporation

Of

RIVERSIDE CHASE HOMEOWNERS ASSOCIATION, INCORPORATED

Pursuant to the provisions of the South Carolina Business Act, the Board of Directors of Riverside Chase Homeowners Association, Incorporated, a South Carolina eleemosynary corporation, hereby adopts the following By-laws for such corporation.

ARTICLE I

NAME AND PRINCIPAL OFFICE

1.01 Name. The name of the eleemosynary corporation "Riverside Chase Homeowners Association, Incorporated" (hereinafter referred to as the "HOA").

1.02 Offices. The principal offices of the HOA shall be at PO Box 2504, Greer SC 29650. The agent for service of process is Theresa Horton, PA, 508-A Pettigru, Greenville, SC, 29601.

ARTICLE II

DEFINITIONS

2.01 Definitions. Except as otherwise provided herein or required by the context hereof, all terms defined in the Declarations of Covenants, Conditions and Restrictions for Riverside Chase Homeowners Association, Incorporated, recorded in the RMC office for Greenville County in Deed Book 1550 Page 719.

Article III

Members

3.01 Annual Meetings. The annual meeting of members shall be in the fourth quarter of the calendar each year at a time selected by the Board, beginning with the year following the year in which the Articles of Incorporation are filed, for the purpose of electing Directors and transacting such other business as may come before the meeting. If the election of Directors shall not be held on the day designated herein for the annual meeting of members, or at any adjournment thereof, the Board of Directors ("Board") shall cause the election to be held at a special meeting of the members to be convened as soon thereafter as may be convenient.

3.02 Special Meetings. Special meetings of the members may be called by the board, the President, or upon the written request of members holding not less than twenty percent (20%) of the total votes of Class A membership. Such written request to state the purpose or purposes of the meeting and to be delivered to the Board or the President.

3.03 Place of meetings. The Board may designate any place in Greenville County, State of South Carolina, as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all members may designate any place, either within or without the State of South Carolina, as the

place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the principal office of the HOA

3.04 Notice of Meetings. The Board shall cause written or printed notice of the time, place and purpose of all meetings of the members (whether annual or special) to be delivered, not more than sixty (60) days and not less than thirty (30) days prior to the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his registered address, with first class postage thereon paid. Each member shall register with the HOA such member's current mailing address for purposes of notice hereunder. If no address is registered with the HOA, a member's Unit address shall be deemed to be his registered address for purposes of notice hereunder.

3.05 Quorum. At any meeting of the members, the presence of members holding, or holders of proxies entitled to cast more than ten percent (10%) of the total votes of each class of membership, shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the members provided above. At the reconvened meeting, the presence of members holding, or holders of proxies entitled to cast, more than ten percent (10%) of the total votes of each class of membership shall again constitute a quorum for transaction of business, with the members present though less than a quorum, being able to adjourn the meeting in order to obtain a quorum, as so from time to time thereafter until a quorum is obtained.

3.06 Proxies. At each meeting of the members, each member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been authorized in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed by the designated member of record or that person's attorney thereto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the HOA or to such other officer or person who may be acting as secretary of the meeting. The minutes of the meeting shall indicate whether votes cast at the meeting were cast in person or by proxy.

3.07 Votes. With respect to each matter (except the election of the Board) submitted to a vote of the members, each member entitled to vote at the meeting shall have the right to cast, in person or by proxy, the weighted vote appertaining to such member, as set forth in the Declaration. The affirmative members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption proportion as required by the Articles of Incorporation, these By-laws, the Declaration or South Carolina law. The election of Directors shall be by secret ballot. If a membership is jointly held, all or any holders thereof may attend each meeting of the members but such holders must act unanimously to cast the votes relating to their joint membership.

3.09 Waiver of Irregularities. All inaccuracies and/or irregularities in calls or notice of meetings and in the manner of voting, form of proxies and/or method of ascertaining members present shall be deemed waived if no objection thereto is made at the meetings.

3.10 Informal Action by Members. Any action that is required or permitted to be taken at a meeting of the members may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject thereof.

ARTICLE IV

BOARD OF DIRECTORS

4.01 General Powers. The property, affairs and business of the HOA shall be managed by its Board. The Board may exercise all of the powers of the HOA, whether derived from law, the Declaration or Articles of Incorporation, except such powers as are by law, Declaration, vested solely in the members. The Board may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions and powers, or those of any officer, as are properly delegable.

4.02 Number, Tenure, and Qualifications. The number of Directors of the HOA shall be five (5). At the first annual meeting of the members held after the adoption thereof, the members shall elect two (2) Directors to serve as follows: To be elected to serve for a term of three years; two (2) to be elected to serve for a term of two (2) years; and one candidate shall be elected to serve for a term of one (1) year. At each meeting thereafter, the members shall elect for a three (3) year term the number of Directors required to fill the number of vacancies created by expiring terms of Directors. Directors must be members of the Riverside Chase Homeowners Association, Incorporated.

4.03 Regular Meetings. The regular annual meeting of the Board shall be held without other notice than this By-law immediately after, and at the same place as the annual meeting of the members. The Board may provide by resolution the time and place, within Greenville County, South Carolina, for the holding of such additional regular meetings without other notice than such resolution.

4.04 Special Meetings. Special meetings of the Board may be called by or at the request of the President of the HOA or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place, within Greenville County, South Carolina, as the place for holding any special meeting of the Board Called by Such person or persons. Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally, or mailed to each Director at his registered address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with first class postage thereon prepared. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of a meeting.

4.05 Quorum and Manner of Acting. A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Directors present at any 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 not powers as such.

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

4.07 Resignation and Removal. A Director may resign at any time by delivering a written resignation to either the President of the HOA or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director may be removed at any time for or without cause by the affirmative vote of more

than fifty percent (50%) of the total votes of the HOA at a special meeting of the members duly called for such purpose and may be removed otherwise as provided by South Carolina law.

4.08 Vacancies and Newly Created Directorships. If vacancies shall occur in the Board by reason of death or resignation of a Director, or if the number of Directors shall be increased, the Directors then in office shall continue to act and such vacancies or newly created Directorships shall be filled by a vote of the Directors then in office, though less than a quorum, in any way approved by such Directors at the meeting. Any vacancies in the Board occurring by reason of the member's removal of a director may be filled by election of the members at the meeting at which such Director is removed. Any Director elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created Directorship, as the case may be.

4.09 Nomination. Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more members of the HOA. The Nominating Committee shall be appointed by the Board prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

4.10 Election. Election to the Board shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest numbers of votes shall be elected. Cumulative voting is not permitted.

4.11 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.

4.12 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 of and their guests thereon, and to establish penalties for the infraction thereof;

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

(c) exercise for the HOA all powers, duties and authority vested in or delegated to this HOA and not reserved to the membership by other provisions of these By-laws, 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 (3) consecutive regular meetings of the Board of Directors;

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

(f) amend these By-laws to correct typographical errors or correct accuracy of content (such as changing the address of the principal office).

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members;

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

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

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

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

(3) to take appropriate action up to and including foreclosing 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) issue, or to cause an appropriate officer to issue, upon demand by any person, certification 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 HOA;

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

(g) cause Common Area to be maintained;

(h) maintain reserves for replacement or unforeseen expenses of not less \$20,000 except when funds are required for payment of expenses for which they are intended. The board shall replace funds as quickly as possible using all means available and may not lower annual dues, offer a refund or rebate, nor make voluntary capital improvements until such time as the reserve for replacement account reaches the minimum amount set forth herein. This provision may not be reduced or eliminated except by two-thirds vote of homeowners.

ARTICLE V

OFFICERS

5.01 Number. The officers of the HOA shall be a President, Vice President, Secretary and Treasurer and such other officers as may from time to time be appointed by the Board.

5.02 Election, Tenure and Qualification. The officers of the HOA shall be chosen by the Board annually at the regular meeting of the Board. In the event of failure to choose officers at such regular meeting of the Board, officers may be chosen at any regular or special meeting of the Board. Each such officer (whether chosen at a regular meeting of the Board or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board and 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 By-laws, whichever first occurs. Any one person may hold any two or more of such offices except that the President may not also be the Secretary. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. All officers must be Directors.

5.03 Subordinate Officers. The Board may from time to time appoint such other officers or agents as it may deem advisable each of whom shall have such title, hold office for such period, 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. Subordinate officers need not be members or Directors of the HOA.

5.04 Resignation and Removal. A Director may resign at any time by delivering a written resignation to either the President of the HOA or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director may be removed at any time for or without cause by the affirmative vote of more than fifty percent (50%) of the total votes of the HOA at a special meeting of the members duly called for such purpose and may be removed otherwise as provided by South Carolina law.

5.05 Vacancies and Newly Created Offices. If any vacancy 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.

5.06 The President. The President shall preside at meetings of the Board and at meetings of the members. He shall sign on behalf of the HOA all conveyances, mortgages documents and contracts and shall do and perform all other acts and things that the Board may require of him.

5.07 The Vice President. The Vice President, in the absence of the President, shall perform all functions required of the President.

5.08 The Secretary. The Secretary shall keep the minutes of the HOA and shall maintain such books and records as these By-laws, the Declaration or any resolution of the Board may require him to keep. He shall be the custodian of the seal of the HOA, if any, and shall affix such seal, if any, to all papers and instruments requiring same. He shall perform such other duties as the Board may require of him.

5.09 The Treasurer. The Treasurer shall have the custody and control of the funds of the HOA, subject to the action of the Board, and shall, when requested by the President to do so, report the state of the finances of the

