

## EXHIBIT E

### BYLAWS OF HARMONY TOWNSHIP, INC.

#### ARTICLE I NAME AND LOCATION

Section 1. Name: The name of the corporation is Harmony Township, Inc. (hereinafter referred to as the "Township") which was created and exists as a nonprofit corporation under the laws of the State of South Carolina.

Section 2. Office of Association: The office of the Township shall be at the offices of Spanish Moss Development, LLC, 1309 Highmarket Street, Georgetown, South Carolina 29440 or at such other place as may be subsequently designated by the Town Council of the Township.

#### ARTICLE II DEFINITIONS

Section 1. General: All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in that certain Declaration of Covenants, Conditions and Restrictions For Harmony dated March \_\_, 2001 and recorded in the ROD Office for Georgetown County, South Carolina, (the "Declaration") certain provisions of which Declaration may be repeated in full or in part and may be renumbered as they appear herein.

#### ARTICLE III MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership: Every Titleholder of a Lot, Commercial Lot or Special Use Lot which is subject to the Declaration shall be a Member of the Township. Membership shall be appurtenant to and shall not be separated from ownership of any property which is subject to assessments.

Section 2. Membership Rights Subject to Assessment; Suspension of Membership: The rights of membership are subject to the payment of General and Special Assessments levied by the Township, the obligation of which assessments is imposed against each Titleholder of, and becomes a lien upon, the Lot, Commercial Lot or Special Use Lot against which such assessments are made as provided by the Declaration. The Town Council of the Township may suspend any Titleholder from membership in the Township during any period of time when such Titleholder is in default of any of his obligations under the Declaration (including without limitation, the failure to pay any assessments), provided that such default has continued uncured for a period of thirty (30) days after written notice thereof to such Member. The obligation for assessments is not abated by suspension of a Member and cannot be waived by non-use or abandonment of the Township or facilities or properties.

Section 3. Voting Rights: The Township shall have four classes of voting membership.

Class A: Class A Members shall be all Lot Titleholders (including the Founder). A Class A Member shall be entitled to one vote for each Lot which he owns. If a dwelling unit is constructed on more than one Lot, the Titleholder shall have one vote for the dwelling unit and one additional vote for each other Lot comprising a part of the total consolidated home or building site.

Class B: Class B Members shall be all those Commercial Lot Titleholders (including the Founder) of platted and conveyed Commercial Lots. A Class B Member shall be entitled to one vote for each \$100 in General Assessments paid to the Township rounded to the nearest whole number.

Class C: Class C Members shall be all those Special Use Lot Titleholders (including the Founder) of Special Use Lots. A Class C Member shall be entitled to one vote for each \$100 in General Assessments paid to the Township rounded to the nearest whole number, but not less than one vote.

Class D: The Class D Member shall be the Founder, its successors and assigns. The Class D Member shall have special voting rights in the Township by which it shall be entitled to the same number of votes as are cumulatively held by the regular Titleholders, plus one. Said Class E voting rights shall terminate as set forth in the Declaration. Notwithstanding the above, the Founder reserves the right to terminate its Class D membership at its sole election at an earlier date.

#### ARTICLE IV MEETING OF MEMBERS

Section 1. Annual Meeting: Meetings of the Members shall be held at the Property, or at such other place as may be designated by the Town Council, and shall occur at least once a year. An annual meeting of the Members shall be held on a day and time as determined by the Town Council, to be designated in the notice of the meeting.

Section 2. Membership Special Meetings: Special meetings of the Members for any purpose may be called at any time by the President, Secretary or Treasurer or by any two or more Members of the Town Council or upon written request of members holding one-fourth of the total votes of the Township.

Section 3. Notice: Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to each Member either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the Township. Each Member shall register his address with the Secretary and notices of meetings shall be mailed to such address. Notice of any meeting, regular or special, shall be mailed not

more than forty-five (45) days, and not less than ten (10) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve and be governed by the Declaration applicable to the properties, or any action for which other provision is made in these Bylaws, notice of such meeting shall be given or sent as therein or herein provided.

Notwithstanding anything contained in this Notice section, Article IV, Section 3 to the contrary, in the event there are subordinate associations created at Harmony, the Town Council has satisfied its obligations of notice hereunder by providing notice to the head of such subordinate association or such subordinate association's designated agent as provided to the Town Council in writing.

The Town Council of the Township shall have the power and the authority to grant temporary and permanent licenses for access and use of certain properties within Harmony, including without limitation any and all boat ramps, landings and roadways within the Property.

**Section 4. Informal Action by Members:** Any action required or permitted by law to be taken at a meeting of the Members of the Township may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Members of the Township, which consent shall be filed with the Secretary of the Township as part of the Township records.

**Section 5. Quorum Required for Any Action Authorized at Regular or Special Meetings of the Township:** The quorum required for any action which is subject to a vote of the Members at a meeting of the Township shall be as follows:

The first time a meeting of the Members of the Township is called to vote on a particular action, the presence at the meeting of Members or proxies entitled to cast fifty-one (51%) per cent of the total vote of the membership shall constitute a quorum. If the required quorum is not present at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be no quorum requirement for such second meeting.

**Section 6. Manner of Acting:** Unless otherwise provided herein or the Declaration, a majority of the total votes cast in person or by proxy at a duly called meeting of the Township shall be the vote required to adopt and make decisions.

## ARTICLE V PROXIES

**Section 1. Voting by Proxy.** Each Member entitled to vote may vote in person or by proxy at all meetings of the Township.

**Section 2. Proxies.** All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the Secretary. Unless a proxy otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right

examine the books and records of the Township. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date.

## ARTICLE VI TOWN COUNCIL

**Section 1. General Powers:** The Township shall be governed and the business and affairs of the Township shall be managed by a Town Council. The Town Council members need not be Members of the Township.

**Section 2. Number and Tenure:** The Town Council shall initially consist of three members appointed by the Founder and in subsequent years may be increased to such number as the Town Council deems appropriate. Beginning with the first annual meeting of the Township, the Founder shall elect one Council member for a term of one year and two Council members for a term of two years and at each annual meeting thereafter, the Members shall elect on majority vote one Council member for a term of two years. Provided, however, the Town Council shall be selected by the Founder, however, until the termination of its Class D voting rights. The Town Council members selected by the Founder need not be Members of the Town Council.

**Section 3. Vacancies.** Vacancies in the Town Council shall be filled by the majority of the remaining Council members, and any such appointed Council member shall hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose; provided, however, such vacancy shall be filled by the Founder until the termination of its Class D voting rights.

**Section 4. Annual Meetings:** Annual meetings of the Town Council shall be held immediately following the annual meeting of the Township. The Town Council may provide by resolution the time and place for the holding of additional regular meetings of the Council.

**Section 5. Special Meetings:** Special meetings of the Town Council may be called by or at the request of the President or any two Council members by giving notice thereof to the members of the Town Council as provided herein.

**Section 6. Notice:** When notice of any meeting of the Town Council is required, such notice shall be given at least four (4) days previous to such meeting by written notice delivered personally or sent by mail to each Council member at his address as shown on the records of the Township. Any Council member may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a Council member at any meeting shall constitute a waiver of notice of such meeting except where a Council member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Council need be specified in the notice or waiver of notice of

such meeting, unless specifically required by law, the Articles of Incorporation, these Bylaws or the Declaration.

Section 7. **Quorum:** A majority of the Town Council shall constitute a quorum for the transaction of business at any meeting of the Town Council.

Section 8. **Manner of Acting:** The act of a majority of the Council members present at a meeting at which a quorum is present shall be the act of the Town Council.

Section 9. **Compensation:** Council members as such shall not receive any stated salaries for their services, but by resolution of the Town Council, any Council member may be reimbursed for his actual expenses incurred in the performance of his duties as Council member. Nothing herein contained shall be construed to preclude any Council member from serving the Township in any other capacity and receiving compensation therefor.

Section 10. **Informal Action by Council members:** Any action required or permitted by law to be taken at a meeting of Council members may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by a majority of the Council members, which consent shall be filed with the Secretary of the Township as part of the Township's records.

Section 11. **Removal of Council members:** Any Council member other than one selected by the Founder may be removed from the Town Council, with or without cause, by a majority vote of the Members of the Township, and a successor may then and there be elected to fill the vacancy thus created or the vacancy may be filled by the Town Council.

## ARTICLE VII POWERS AND DUTIES OF THE TOWN COUNCIL

Section 1. **Powers:** The Town Council shall have power to:

(a) adopt and publish rules and regulations governing the use of the Commons and the conduct of the Members, their lessees or guests, and to establish penalties for the infraction of such rules and regulations;

(b) suspend the voting rights of a Member and his right to use the Commons during any period in which such Member shall be in default in the payment of any assessment levied by the Township. 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) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(d) to grant utility and ingress/egress easements on, over and across the Commons of the Township as provided in the Declaration;

(e) to sell, transfer and convey portions of the Commons without a vote of the members of the Township in order to (i) correct errors or mistakes in deeds or easements to or from the Township; or (ii) to divest the Township of properties which are not necessary for the functions and services which the Township is authorized to carry out and deliver.

(f) exercise on behalf of the Township all other powers, duties and authority vested in the Township as set forth in the Declaration and not reserved to the membership under other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

**Section 2. Duties:** It shall be the duty of the Town Council to:

(a) cause to be kept a complete record of all its acts and corporate affairs, have the same available for inspection at the offices of the Township, and present a statement thereof to the members at the annual meeting of the Members or any special meeting when such statement is requested in writing by one-fourth (1/4th) vote of the Members who are entitled to vote;

(b) supervise all officers, agents and employees of the Township, and see that their duties are properly performed;

(c) perform all duties set forth in the Declaration, including without limitation:

(1) fix and levy the amounts of all assessments, annual, special or otherwise;

(2) to send written notice of all assessments to every Titleholder subject hereto;

(3) in the discretion of the Council, foreclosing the lien against any property for which assessments are not paid within thirty (30) days after the due date or bringing an action at law against the Titleholder personally obligated to pay the same;

(4) issuing or causing 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 Town Council for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(5) causing the Commons to be maintained or repaired; and

(d) procure and maintain adequate liability and hazard insurance on property owned or leased by the Township; and

(e) cause all officers or employees having fiscal responsibilities to be bonded, as the Council may deem appropriate; to provide Council members and officers liability insurance, errors

and omission insurance or similar insurance for officers and Council members as it may deem appropriate;

(f) to cause the Commons and facilities to be maintained, replaced or improved and properly landscaped;

(g) to prepare an annual budget for the Township outlining anticipated receipts and expenses for the following fiscal year;

(h) to carry out the reconstruction of the Commons' improvements after casualty, and to carry out the further improvement of such Commons;

(i) to acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including the Commons as may be necessary or convenient in the operation and management of the Township;

(j) to enforce by legal means the provisions of the Articles of Incorporation, the Declaration, and the Bylaws of the Township and the regulations promulgated by the Council;

(k) to pay all taxes and assessments which are liens against any part of the Commons or other property, real or personal, belonging to the Township;

(l) to pay all costs of power, water and sewer and other utility services rendered to the Township and not billed to the Titleholders;

(m) to borrow money on behalf of the Township and to pledge/mortgage the property of the Township as security for such loan(s);

(n) to exercise for the Township all powers, duties and authority vested in or delegated to the Township by the Declaration and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation.

## ARTICLE VIII OFFICERS

Section 1. Officers: The officers of the Township shall be a President, one or more Vice Presidents (the number thereof to be determined by the Town Council), a Secretary and a Treasurer. The Town Council may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the Authority and to perform the duties prescribed from time to time by the Town Council. Any two (2) or more offices may be held by the same person except the offices of President and Secretary. The President shall be a member of the Town Council member of the Township. Other officers may be, but need not be, Council members of the Township.

**Section 2. Election, Term of Office and Vacancies:** The officers of the Township shall be elected annually by the Town Council at the first meeting of the Town Council following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Town Council for an unexpired portion of the term.

**Section 3. Removal:** Any officer may be removed by the Town Council whenever, in its judgment, the best interest of the Township will be served thereby.

**Section 4. Powers and Duties:** The officers of the Township shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Town Council. The resident shall be the chief executive officer of the Township.

**Section 5. Resignation:** Any officer may resign at any time by giving written notice to the Town Council. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6. President.** The President shall be the chief executive officer of the Township. He shall execute on behalf of the Township all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly delegated by the Town Council to some other officer or agent. The President shall preside at all meetings of the Township and the Town Council. He shall have all general powers and duties which are usually vested in the office of President of a property owners association, including the power to appoint committees.

**Section 7. Vice-President.** The Vice President shall act under the direction of the President and shall perform such duties as may be imposed by the Council. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President.

**Section 8. Secretary.** The Secretary shall act under the direction of the President. Subject to the direction of the President, the Secretary shall attend all meetings of the Town Council and meetings of the Township and record the proceedings. He shall give or cause to be given, notice of all meetings of the Township and of the Town Council as required by these Bylaws and shall perform such other duties as may be prescribed by the President or the Town Council.

**Section 9. Treasurer.** The Treasurer shall act under the direction of the President and shall keep or be responsible for keeping the accounts of the Township. He shall disburse the funds of the Township as may be ordered by the President or the Town Council and shall render on request or at the regular meetings of the Town Council an account of all his transactions as Treasurer and of the financial condition of the Township. The Treasurer shall be responsible for mailing all Assessment notices to Members of the Township.