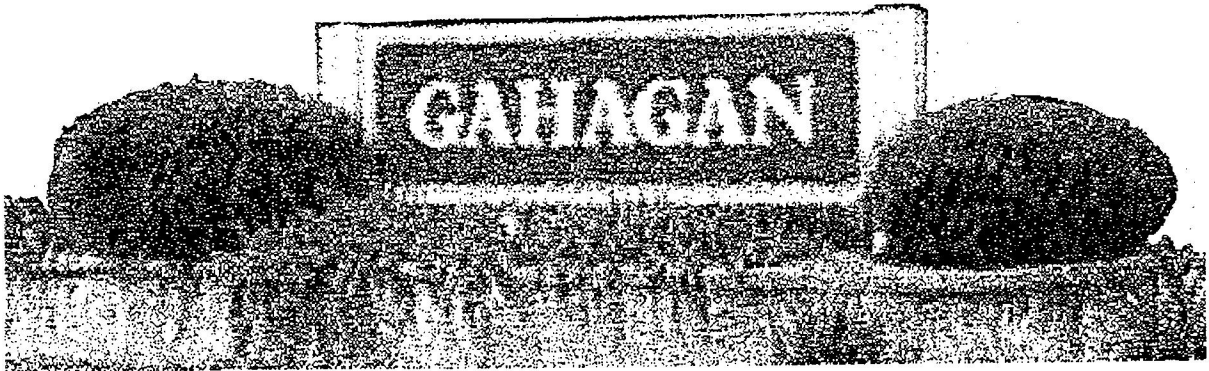


Gahagan Plantation



Covenants and By-Laws

Revised: March 17, 1998

It shall be noted that Covenants and Restrictions of subdivisions are of public record, and are filed at the RMC Office of the Dorchester County Court House in St. George, SC.

It is noted also that it is the "Buyers" responsibility to locate and read all Covenants and Restrictions for a particular subdivision. If Covenants and Restrictions are not furnished at the closing, the "Buyers" are still bound by these restrictions without any alterations.

Gahagan Plantation Subdivision Covenants and Restrictions

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Subdivision Covenants and Restrictions

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State of South Carolina) Declaration of Covenants and
) Restrictions for Gahagan
) Plantation Subdivision,
) Dorchester County, S.C.,
) Gahagan Plantation
) Homeowners Association, Inc.

County of Dorchester

THIS DECLARATION, made this day of March 17, 1998 by the majority of the property owners of Gahagan Plantation Homeowners Association, Inc., a South Carolina Nonprofit Corporation, hereinafter referred to as the "Association".

WITNESSETH

WHEREAS, the Property Owners of the Gahagan Plantation Subdivision be incorporated the Gahagan Plantation Homeowners Association, Inc. for the purpose of exercising the functions which are herein more fully set forth.

WHEREAS, the Property Owners of the Association declare that the real property described in Article II, and such additions thereto as may hereinafter be made pursuant to Article II and hereof, is and shall be held, transferred, sold, conveyed, given, or donated. The restrictions, conditions, easements, charges, assessments, affirmative obligations, and leans, hereinafter referred to as the "Covenants", are set forth.

ARTICLE I

DEFINITIONS

The following words and terms when used in this declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

a. ASSOCIATION shall mean and refer to Gahagan Plantation Homeowners Association, Inc. a South Carolina Non-Profit Corporation, its successors and assigns.

b. BOARD shall mean the Board of Directors of the Association.

c. COMMON PROPERTIES shall mean or refer to those areas of land with any improvements thereon that may be designated as common properties on plats filed for record in the Office of the Clerk of Court for Dorchester County, South Carolina, or which may be deeded to the Association and designated in said deed as "common properties", "used for recreational activities", "nature preserve", "open park area", or "utility area".

d. RESIDENT LOT shall mean any lot or combination of lots shown in Gahagan Plantation Subdivision on which is erected one single family dwelling.

e. MEMBER shall mean and refer to those owners who are members of the Association as provided in Article III of the Covenants.

f. OWNER shall mean and refer to the record owner, whether one or more persons, firms associations, corporations, partnerships or other legal entities of the fee simple title to any lot, but not withstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee unless or until such mortgagee has acquired title pursuant to foreclosure proceedings or any proceedings in lieu of foreclosure, nor shall term "Owner" mean or refer to any lessee or tenant of an owner.

g. DUES shall mean the total mandatory, annual amount lot owners pay to support operations as determined by the Board.

ARTICLE II

PROPERTY

The real property which is and shall be held, transferred, sold, conveyed, leased, and occupied, subject to these Covenants is located in Dorchester County, South Carolina, and known as Gahagan Plantation, as shown on a plat thereof by Trico Engineering, which plat is of record in the office of the Clerk of Court for Dorchester County, S.C. in Plat Book F, page 291 and all additional phases of Gahagan Plantation which consist of Phases 1, 2, 3, and 4, and all lots in Blocks A through K.

Supplementary Declarations may contain such complementary additions and modifications of the covenants and restrictions contained in the declaration as may be necessary or convenient in the judgment of the Association to reflect the different character, if any, of added improvements or properties which are not inconsistent with the plan of the declaration.

ARTICLE III

MEMBERSHIP

a. Every person who is a record owner of any lot which is subject by the covenants shall be a Class A member of the Association. Class A membership is voluntary for those lot owners who purchased property prior to March 17, 1998. Those members who purchased lots subsequent to March 17, 1998 by reason of purchase, automatically become Class A members.

b. Class B membership shall be those owners who purchased lots within Gahagan Plantation which were effective as outlined in Article I before January 29, 1988. These are members who decline to agree to sign the March 17, 1998 implementing covenants, but agree to pay the Association dues and assessments and retain all the privileges of Class A membership. These Association members are aware that upon transfer of ownership of their lots, the new owners are obliged to belong to the Association and the March 17, 1998 covenants, restrictions and By-Laws.

c. Class C are lot owners who are obliged under the covenants and the ARB agreement of 1992 formulated prior to March 17, 1998, by the Garbon Group, the developer. These property owners refuse

to pay dues and therefore are not included within the aforementioned Class A and B membership classifications. Class C property owners are, however, obliged to comply with the prior written covenants and the ARB guidelines; the new owners are obliged to be governed by the March 17, 1998 association restrictions and bylaws and are automatically Class A members.

VOTING RIGHTS

Class A and B members shall be entitled to one vote for each lot in which they hold the interest required for membership. Class A members shall not be entitled to exercise the vote to which they are entitled until the members occupy the dwelling. In cases where a builder has purchased a lot for the purpose of constructing a dwelling for resale, such builder will have no voting rights.

Class C lot owners may attend the membership meetings of the Gahagan Plantation Homeowners Association, Inc.

ARTICLE IV

FUNCTIONS OF ASSOCIATION AND BY-LAWS

SECTION 1. The maintenance of Common Properties. The Association has volunteered to provide for the clean up, maintenance, and landscaping of the entrance.

SECTION 2. All services necessary and desired in the judgment of the Board to fulfill the Association's obligations and business under the terms of this declaration and its bylaws.

SECTION 3. The setting up and operation of an Architectural Review Board.

SECTION 4. The By-Laws Exhibit A are hereby adopted as the bylaws of the Association.

ARTICLE V

GENERAL PROVISIONS

Residential Use of Property. All lots shall be used for residential purposes only, and no structure shall be erected, placed, altered, or permitted to remain on any lot other than one single-family dwelling, not more than two and one-half stories in height, and any accessory structures customarily incident to the residential use of such lots. All residential improvements made prior to the date of the community restrictions and bylaws herein, shall be considered approved. Setbacks and Building Lines. No building shall be located on any lot nearer to the front lot line than twenty feet, or nearer to a back lot line than twenty feet, and side lot line 7 1/2 feet. On corner lots, the front line shall be the shorter of the two property lines along the intersecting streets.

Flexibility. The minimum setbacks are not intended to engender uniformity of setbacks. They are meant to avoid overcrowding. The setbacks shall be staggered where appropriate to preserve important trees and assure vistas of flora and open areas.

Swimming pools. Swimming pools shall not be nearer than ten feet to any lot line, must be located to the rear of the main dwelling, shall not project with their coping more than two feet above the established lot grade, and shall be screened with an appropriate hedge or fence. All permanent and semi-permanent above grade pools must be approved by the ARB.

Walls, Fences, and Pens. Sketches of wall or fence designs shall be submitted to the ARB for approval prior to construction. Fences, boundary walls, and hedges may be erected or grown to the rear of the front facade of the residential structure and/or to the rear of the side facade if facing street at corner lots. Walls and fences shall not exceed 6' in height. They shall be constructed of wood or masonry (other than concrete block) and stained or finished to match house or left to weather naturally and shall be maintained in good order and repair. Any other fencing materials should be presented at ARB. Metal chain link or any wire fabric fencing is not an acceptable fence or wall material. Dog pens must have ARB approval.

Minor Deviations. Any deviation from the building line requirements shall not be permitted unless prior written approval is obtained from the ARB, then deviation should not exceed 10% thereof.

Porches, Eaves and Detached Garages. For the purpose of determining compliance or non-compliance with the foregoing building line requirements, porches, terraces, stoops, eaves, wingwalls, and steps extending beyond the outside wall of a structure shall not be considered part of the structure. The location of such structures shall be approved by the ARB.

Exteriors. No building shall be erected in the said subdivision having an exterior finish of asbestos shingles, concrete blocks, or cinder blocks.

Enclosed dwelling area requirements. No residence or dwelling shall be erected on any of the lots unless said residence or dwelling be constructed with a minimum 1600 square feet of total enclosed dwelling area. The term "enclosed dwelling area" as used in these minimum size requirements does not include garages, terraces, decks, porches, and the like areas.

Completion of Construction. The exterior of all homes and other structures must be completed within six months after the date of construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strike, fires, national emergency or natural calamity, unless otherwise extended by the ARB.

Obstruction of View at Intersection and Delivery Receptacles. The lower branches of trees or other vegetation in sight line approaches to any street or street intersections shall not be permitted to obstruct the view of same.

Use of Outbuildings and Similar Structures. No structure of a temporary nature shall be erected and allowed to remain on any lot. No trailer, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence.

Utility, work , or storage buildings. All such structures must have prior approval by the ARB.

Animals. No animals shall be raised, bred, or maintained on any lot for commercial purposes. All pet owners must abide by the Town of Summerville's Ordinances and S. C. Codes.

Signs. No commercial sign shall be displayed except "For Rent" and "For Sale", which signs shall not exceed two by three feet in size. No more than two signs shall be displayed on one lot at the same time. "Garage Sale" and celebratory signs are permitted.

Aesthetics, Nature Growth, Screening, Underground Utilities Service. Garbage cans, equipment, coolers, or storage piles shall be walled in to conceal them from the view of neighboring lots or streets. All residential utility service and lines to residences shall be underground. All fuel tanks must be buried or walled from view. Plans for all screens, walls, and enclosures must be approved by the ARB prior to construction. Plans for removing trees must comply with the requirements of the Town of Summerville's Code of Ordinances Chapter 19.

Antennae. No commercial radio, television or cellular transmission towers or antenna shall be erected within the restricted property. Television receiving antennas shall be limited to 10 feet in height above the highest roof ridge of the restricted structure. Satellite receiving antennas not attached to the restricted structure shall not exceed 6 feet in height and shall be placed within the rear fenced yard. Amateur radio antennas and structures shall comply with Federal Regulation PRB-1 and be limited as follows: a) Such structures shall not be located in the required front yard or in front of the front line of the dwelling or principal building; and b) such structures shall not exceed a height of 10 feet within the required side or rear yard; and c) such structures shall not exceed a height of 45 feet within the buildable area; and d) not more than one structure per lot or parcel shall exceed a height of 30 feet.

Other vehicle and trailer parking. No school buses, transfer trailers, mobile homes, farm machinery, trucks and vans (other than "vans" or "pickups" of one ton or less) shall be brought upon or habitually parked overnight on any street or on a lot. Recreational vehicles (boats, campers, and habitable motorized vehicles-RV's) may be parked on the homeowner's lot. Every effort should be made to park such vehicles as inconspicuously as possible. However, no such vehicle may be parked forward of a front corner of the house. This shall not be construed to prohibit a mere temporary standing or parking of the above for seven days prior to taking the same to some other location for use or storage or for seven days following such use of vehicle. Said vehicle should be in good repair and in a usable condition. Proper landscaping around vehicle should be maintained. Any grievances shall be addressed to the ARB if the concern cannot be resolved between the parties involved.

Prohibition of Commercial Use of Property. No trade or business of any kind or character not the practice of any profession shall be permitted which would involve visitation to the restricted structure by customers, clients, patients, semi-trailer trucks or delivery vehicles larger than the customary vehicles used by the Postal Service or United Parcel Service, nor shall any trade, business or profession be permitted under any circumstances which involves hazardous materials. No building or structure designed or intended for any purpose connected with any trade, business, or profession shall be permitted or maintained upon any of the land shown upon said plat; except that which is allowed by the Town of Summerville Zoning Ordinance (Art. V), as amended from time to time.

Changing Elevations. No lot owner shall excavate or extract earth for any business purpose. No elevation changes shall be permitted which materially affect surface grade of surrounding lots.

Wells. No individual water supply systems shall be permitted except for irrigation, swimming pools, or other nondomestic use.

Unightly Materials. No trash, rubbish, debris, junk, stored materials, wrecked or inoperable vehicles, or similar unightly items shall be allowed to remain on any lot outside an enclosed structure. however, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and debris for pickup by governmental or similar garbage and trash removal service units. This restriction shall also pertain to builders during the period of dwelling construction work on the various lots. No burning of any trash and no accumulation or storage of litter or trash of any kind shall be permitted on any lot. Ordinance 89-10 Town of Summerville will be enforced.

Maintenance Required by Owner. Each owner shall keep all lots owned and all improvements in good order and repair, including but not by way of limitation, the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery, and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with the safety and good property management.

Outside Drying. No clothing or household fabrics shall be hung in the open on any lot unless the same are hung from an umbrella or retractable hanging device which is removed from view when not in use.

Parking Space Requirements. Two on-site parking spaces are to be provided at each residence as required by the Town of Summerville Zoning Ordinance (art. VII), as amended from time to time. Such spaces will have a paved surface and provide for parking two vehicles side by side on the residence property.

Exterior Lighting. Exterior lighting shall be located in such manner so not to be a nuisance to surrounding neighbors. In no case, shall an exterior light shine directly into a neighbor's window.

Noises. The Association will enforce the Ordinance 10-3 and 96-07-04 amended Sept. 11, 1996, Town of Summerville, which prohibits excessive noise.

Easements. An easement on each lot is hereby reserved by the developer for itself and its successors and assigns along, over, under, and upon a strip of land ten feet in width, parallel and contiguous to each side lot line, and in addition to such easements as may appear on the said plat. The purpose of these easements shall be to provide, install, maintain, construct and operate drainage facilities, now or in the future, and utility service lines to, from, or for each of the individual subdivision lots. Within these easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction or flow of drainage channels in such easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which the Town of Summerville or a utility company is responsible.

Violations. If any person, or corporation shall violate or attempt to violate any of said Restrictions, it shall be lawful for any person, firm, or corporation owning any of said lots or having any interest therein, to prosecute any proceeding at law or in equity against the person, firm, or corporation violating or attempting to violate the same, and either to prevent it or them from so doing or to recover damages or other dues for such violation. In the event of a judgement is obtained, such judgement shall include interest charges, the costs of preparing and filing the complaint and reasonable attorney's fees to be fixed by the court together with the other costs of the action.

Separability. Should any section or provision of these Restrictions be declared invalid or unenforceable by any court. Such declaration shall not affect the validity of these restrictions as a whole or any part thereof which is not specifically declared to be invalid or unenforceable.

Amendments. The Association expressly reserves the right to amend this Declaration or any portion thereof on its own motion. The procedure for amendment shall be as follows: All proposed amendments shall be submitted to a vote of the members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if three-fourths of the votes casts at such meeting vote in favor of the amendment.

Notice shall be given each member at least thirty days prior to the day of the meeting at which the proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the members as set forth above, the President and Secretary of the Association shall execute an addendum to this Declaration which shall set forth the amendment, the effective date of the amendment which in no event shall be less than sixty days after the date adoption, the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes of members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt the amendment, the total number of votes cast in favor of such amendment, and the total number of votes cast against the amendment. The addendum shall be made of record.

CERTIFICATION

I, Jan M. Gravelson, do hereby certify that I am the duly elected and acting Secretary for the Gahagan Homeowners Association, Inc., a South Carolina non-profit corporation and that the foregoing By-Laws constitute the official By-Laws of the Association duly adopted at a meeting of the Board of Directors of the Association, duly called and attended by a quorum, held on

March 17, 1998

CERTIFIED this 17th day of March, 1998 by my signature and the Notary Seal.

Laura W. Hogan

my commission expires 11-04-03

Gahagan Plantation Subdivision

By-Laws of the Gahagan Plantation Homeowners Association

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EXHIBIT A
BY-LAWS OF
GAHAGAN PLANTATION HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Gahagan Plantation Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Gahagan Plantation Subdivision, but meetings of Members and Directors may be held at such places within the State of South Carolina, County of Dorchester, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

The following words and terms, when used in the By-Laws or any supplemental set of By-Laws (unless the context shall clearly indicate otherwise), shall have the following meanings:

- a. ASSOCIATION shall mean and refer to Gahagan Plantation Homeowners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.
- b. BOARD shall mean the Board of Directors of the Association.
- c. COMMON PROPERTIES shall mean or refer to those areas of land with any improvements thereon that may be designated as common properties on plats filed for record in the Office of the Clerk of Court for Dorchester County, South Carolina, or which may be deeded to the Association and designated in said deed as COMMON PROPERTIES.
- d. RESIDENT LOT shall mean any lot or combination of lots shown in Gahagan Plantation Subdivision on which is erected one single family dwelling.
- e. MEMBER shall mean and refer to those owners who are members of the Association as provided in Article III of these Covenants.
- f. OWNER shall mean and refer to the recorded owner, whether one or more persons, firms, associations, corporations, partnerships, or other legal entities of the fee simple title to any lot, but notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee unless or until such mortgagee has acquired title pursuant to foreclosure proceedings or any proceedings in lieu of foreclosure, nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.
- g. COVENANTS shall mean and refer to the Declaration of Covenants and Restrictions applicable to

the properties recorded in the real estate records in the Office of the Clerk of Court of Dorchester County, South Carolina.

h. PROPERTIES shall mean and refer to the existing property described in Article II of the Declaration of Covenants and Restrictions and such addition thereto as are subjected to the Declaration or any supplemental declaration under the provisions of Article I thereof.

i. PLAT shall mean the plat by Trico Engineering recorded in the Office of the Clerk of Court for Dorchester County S.C. in Plat Book F on page 291, and all additional phases of Gahagan Plantation which consist of Phase 1,2,3,and 4, and all lots in Blocks A through K.

j. DUES shall mean the annual membership fee set by the Board of Directors per resident lot and must be paid to the Treasurer June 1. The Association's fiscal year is June 1 to May 31.

ARTICLE III

PURPOSE

This corporation has been formed for the purpose of conducting a community association exclusively for community benefit and not for profit. Specifically, this Association shall protect the investment, enforce the covenants, and enhance the value of the property owned and/or maintained by its members. It shall also provide improvement and maintenance services to the properties which it owns or administers.

ARTICLE IV

POWERS

Section 1. The powers of the Association will be exercised and its affairs conducted by the Board of Directors in any manner consistent with these By-Laws. Two-thirds (2/3) of the quorum present at any regular or special meeting may direct the Board of Directors to take such action as they deem appropriate, consistent with these By-Laws.

Section 2. The Association will have the following powers:

- a. To make contracts, possessing the same powers in such respects as any individual enjoys
- b. To expel or suspend members
- c. To enforce the collection of dues and charges under such penalties as are provided in these By-Laws
- d. To have succession, by its corporate name, in perpetuity
- e. To use such seal as shall be determined by the members, and to alter such seal at pleasure
- f. To appoint such officers as the business of the Association requires and proscribe their duties

ARTICLE V

OFFICERS OF THE ASSOCIATION

Section 1. Elected officers will be President, Vice-President, Secretary, and Treasurer. All elected officers will be persons holding membership status as prescribed in Article III of the Covenants and will also be members of the Board of Directors.

a. The PRESIDENT will preside at all meetings of the membership and shall generally direct and supervise all business of the corporation as approved by the Board of Directors. In addition, the President will preside at all meetings of the Board of Directors and will be Chairperson. The President will appoint members to all standing and special committees and will serve ex-officio as a member of all such committees. The President shall request each officer and committee chairperson to submit a written report of their job description and activities for the past year, to be presented at the last meeting before the general election.

b. The VICE PRESIDENT, in the absence, death, or disability of the President, the Vice-President will perform all the duties of the President, and will be vested with all the powers of the President.

c. The TREASURER will receive and disburse all money for the Association, and will render a financial report at each meeting and at other times when so directed by the President or Board of Directors. The Treasurer will deposit, in the name of the corporation, in a bank or banks as designated by the Board of Directors, all money received by him/her and shall draw and sign all checks of the corporation which will be countersigned by an officer. The Treasurer will keep a record of all membership accounts. The Treasurer is responsible to pay the Association fee to maintain the status of a non-profit Association.

d. The SECRETARY will take and keep minutes of all meetings of the Board of Directors and the membership. The Secretary will maintain a membership roll.

Section 2. In addition to the four elected officers, the Board of Directors will consist of a maximum of three other Directors who will be elected by the membership. All Directors must also hold membership status as prescribed in Article III of the Covenants.

Section 3. At the annual meeting the members will elect a slate of officers and directors. On the even year the President, Treasurer, and two Board of Directors will be elected. On the odd year the Vice President, Secretary, and one Board of Director will be elected. All terms are two years.

a. Nominations of Candidates for office

1. At least two (2) months prior to the annual meeting the Board of Directors will appoint a nominating committee of three members.

2. The nominating committee will form a list of candidates. The committee will contact personally the candidate to assure that such member is amenable to serve if elected. The ballot may include any

officer or director holding office, however no elected officer may serve more than two (2) consecutive terms in the same office or hold more than one elected position at any given time.

3. The Secretary will distribute a complete ballot of candidates nominated for election to each member of the Association no less than fourteen (14) days prior to the annual meeting. Nominations may also be made from the floor by any member of the Association at the annual meeting. All floor nominations must be present.

b. Voting. Those candidates for each office who receive the greatest number of votes cast for that office will be elected. In the event of a tie for any position to be elected, a runoff vote for such position(s) will be conducted immediately following the general vote.

c. Balloting. The Secretary will provide ballots, listing the names of all candidates nominated under this article. Such ballots will have one or more vacant lines under each position to be elected for nominations made from the floor at the time of the annual meeting. Ballots will be distributed at the rate of one ballot per eligible attending voter or proxy card. Absentee ballots may be obtained from the Secretary during the fourteen (14) days prior to the annual meeting. Absentee ballots will be returned to the Secretary in a sealed envelope. This absentee ballot will be considered the proxy. The Secretary will mark the master membership roll to reflect the distribution of ballots by house number.

Section 4. Removal. The Board of Directors will have the power to discharge any officer or director for good and sufficient cause. Removal action will be undertaken only after a hearing on the matter is held in the form of an open meeting of the Board of Directors, with the officer or director in question given the opportunity to be present at such hearing. In addition, the President may, at any regular or special meeting of the membership, two-thirds (2/3) of the quorum present consenting, declare vacant the position of any officer or director who has been absent from three (3) consecutive meetings of the Board and/or of the general membership without a valid excuse.

Section 5. Vacancies. Any vacancy on the Board of Directors shall be filled by appointment by the majority of the remaining Directors, and the new Director shall serve for the unexpired term of the predecessor. Any vacancy that remains unfilled at the time of the annual meeting shall be filled by a vote of the members.

Section 6. Meeting of Officers and/or Board of Directors may be called, held, and conducted in accordance with such rules and procedures as they may adopt. A majority of the Board will constitute a quorum at any meeting of the Board of Directors. A majority vote of the quorum present will rule. The presiding officer will vote only in the event of a tie.

Section 7. At any meeting of the membership of this Association, recorded payment of dues assessed for any residence lot within Gahagan Plantation Subdivision will entitle a total of one vote to be cast by person(s) deriving membership status from that resident's lot and holding the membership and voting rights for that lot.

ARTICLE VI

MEETINGS

Section 1. Annual Meeting. The annual meeting of the members and the election of officers and directors will be held on the third Tuesday in May at 7:30 P.M. at a designated place announced by the Board.

Section 2. Regular Meetings. Regular meetings of the membership will be scheduled by the Board of Directors. Such meetings will be held on the third Tuesday of any month during which they are required. The place of any regular meeting will be designated and distributed by the Secretary.

Section 3. Special Meetings. Special meetings of the members may be called at any time for any purpose by:

- a. The President of the Association
- b. Any three members of the Board of Directors
- c. A petition signed by 51% of those persons holding membership in the Association.

Written notice of the special meeting will be given to all persons holding membership not less than fourteen (14) days prior to the date set for such meeting. The notice will specify the time, date, place of the meeting, and the nature of the matters to be discussed at the meeting.

Section 4. Transaction of Business. The presence at any meeting of 40% of the voting base, either in person or by proxy, will constitute a quorum. Unless otherwise specifically provided in these By-Laws, any action may be taken at any meeting of the membership by the affirmative vote of two-thirds (2/3) of the votes represented by the quorum present.

Section 5. Order of Business. The order of business at all meetings of the Association shall be as follow:

- a. roll call
- b. reading of the minutes of the previous meeting
- c. Treasurer's report
- d. report of the Board of Directors
- e. reports of committees
- f. election of Directors (when required)
- g. unfinished business
- h. new business

Section 6. Minutes of Meeting. The Secretary of the Association shall keep, or cause to be prepared and kept, accurate minutes of every meeting of the Association. The minutes shall be made available for examination and copying by any member at any reasonable time.

ARTICLE VII

LIABILITY AND INDEMNIFICATION

Section 1. Liability of the Association. A member shall not be liable for a greater fraction of a debt or

liability of the Association than represented by the dues payable by such member. All business correspondence of the Association and all contracts executed by the Association shall contain the following statement:

Gahagan Plantation Homeowners Association, Inc. is a non-profit Corporation established pursuant to the laws of the State of South Carolina. No member thereof shall be liable for a greater fraction of a debt or liability of the Association than represented by the dues payable by the members.

Section 2. Liability of Directors and Officers. No director or officer of the Association shall be liable to any member for any decision, action, or omission made or performed by such director or officer in the course of his/her duties unless such director or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Covenants of these By-Laws.

Section 3. Indemnification of Directors and Officers. The Association shall indemnify and defend each director and officer of the Association from any liability claimed or imposed against him/her by reason of his position or decision, action, or omission as a director or an officer of the Association if all of the following conditions are satisfied:

1. Such director or officer is not required to bear such liability by the terms of the Covenants, the laws of South Carolina, or these By-Laws
2. Such director or officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same; and
3. Such director or officer cooperates with the Association in defending against the claim.

The expense of indemnifying a director or an officer shall be a common expense and shall be borne by all the members, including such director or officer.

ARTICLE VIII

ATTESTATIONS AND CERTIFICATIONS

Section 1. Attestation of Documents. The presence of the signature of the Secretary on any contract, conveyance, or any other document executed on behalf of the Association shall attest:

1. That the officer of the Association executing the document does in fact occupy the official position indicated, that one in such position is duly authorized to execute the document on behalf of the association, and that the signature of the officer subscribed on the document is genuine

2. That the execution of the document on behalf of the Association has been authorized.

Section 2. Certification of Documents. Any document relating to the properties of the Association will be certified as authentic by the Secretary.

ARTICLE IX

MISCELLANEOUS

Section 1. Association Appointed Committees. The Association will have the following committees as appointed by each new President:

- a. Recreational / Social
- b. Area Coordinators/Welcoming/Communication
- c. Beautification
- d. Architectural Review Board

The following subjects will be handled by the Board of Directors:

- a. Grievances
- b. Restrictions
- c. Liaison

The President and Board of Directors will create other committees if necessary.

Section 2. Architectural Review Board. The Association will have an Architectural Review Board. A board of three members will be elected for a two year term at the annual meeting. The Board will carry out the requirements as stated in the Covenants.

Section 3. Notices. Notices affixed to the front door of the dwelling on any lot by or at the direction of the Board of Directors shall be deemed delivered to the member of such lot unless he/she has previously specified to the Board of Directors in writing another address for delivery of notices and documents. Any notice or document addressed to the Board of Directors and delivered to any Director by or at the direction of a member shall be deemed delivered to the Board of Directors.

Section 4. Disbursement of Funds. Any check for disbursement of Association funds will be signed by two officers. Expenditures for payment of routine expenses or bills. Expenditures for payment of routine expenses or bills, expenditures of sums less than \$100.00, and expenditures under emergency situations may be approved by the Board of Directors. Disbursement of all other funds must be with the prior approval of the membership, as set forth in Article VI, Section 4.

Section 5. Waiver. No provision of the By-Laws or the Covenants shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 6. Conflicts. In the event of any conflict between the By-Laws and the Covenants, the Covenants shall control, as appropriate.

Section 7. Auditing. The financial records of the Association shall be available for examination and/or copying by any Association member at any reasonable time.

Section 8. Finances. The Board of Directors shall prepare and submit to the members at the annual meeting a proposed budget for the Association for the fiscal year. The proposed budget will state common expenses for the fiscal year and the amount of money needed to establish reasonable reserves for common expenses and contingencies. The proposed budget be amended by motion by any member. A vote by members will approve the budget for the fiscal year. The budget shall be binding upon the Board of Directors unless and until such terms are amended by action of the members.

Section 9. Crime Watch. A Crime Watch will be established in Gahagan Plantation Subdivision. The Crime Watch will be Sponsored by the Gahagan Plantation Homeowners Association, Inc.