

**TIMBERLAKE PLANTATION OWNERS
ASSOCIATION, INC.
BY-LAWS**

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BY-LAWS
OF
TIMBERLAKE PLANTATION OWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

Section 1.01 Name and Location. The name of the corporation is Timberlake Plantation Owners Association, Inc. (the "Association"), a South Carolina non-profit corporation. The principal office of the corporation is located at P.O. Box 474, Chapin, Lexington County, South Carolina, 29036. Meetings of Members or Directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors.

ARTICLE II
OBJECT AND DEFINITIONS

Section 2.01 Purposes. The specific purposes for which the Association is formed are: (i) to provide for the maintenance, preservation and control of the Common Area which is part of the real property located in Lexington County, South Carolina (the "Property"), which has been submitted to the Declaration of Covenants, Conditions, Restrictions and Easements for Timberlake Plantation dated March 12, 1987 and recorded in the Register of Deeds (formerly R.M.C.), Office for Lexington County, South Carolina in Deed Book 877 at Page 101 (the "Covenants") as amended in Deed Book 879 at Page 73, in Deed Book 904 at Page 294, in Deed Book 950 at Page 120, in Deed Book 1337 at Page 210, in Deed Book 3493 at Page 283; and (ii) to promote the health, safety and welfare of the Owners within Timberlake Plantation.

Section 2.02 Assent. All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of Timberlake Plantation in any manner are subject to the Timberlake Plantation Documents, including these By-Laws. The mere acquisition or rental of any of the Lots in Timberlake Plantation or the mere act of occupancy of one of the Lots shall constitute ratification and acceptance of these By-Laws.

Section 2.03 Definitions. The defined terms used in these By-Laws shall have those meanings that the same terms have in the Covenants.

ARTICLE III MEMBERSHIP

Section 3.01 Membership. The Association shall have one class of membership:

Class A: Class A "Members" shall be all Owners as more fully set forth in the Covenants, the terms of which pertaining to membership, are specifically incorporated herein by reference. Members shall be entitled to vote as follows:

- (i) One vote for each Lot, according to the Plat; and
- (ii) In the case of commercial property, as defined in Section 4.06.2 of the Covenants, one vote for every 1,500 square feet of rentable floor space determined by standards consistent with the Design Guidelines as indicated by the final, as-built plans for the commercial property and noted in a statement of allocated votes signed by the Developer and filed with the Secretary of the Association.

The ownership interests enumerated in Paragraphs (i) and (ii) above are sometimes referred herein to as "Voting Units." The number of votes allocated to the Owner of a Project Parcel shall decrease accordingly as each Voting Unit, as applicable, is transferred by the Owner of the Project Parcel to individual Owners. When more than one person holds an interest in any Voting Unit, all such persons shall be Members. The vote for such Voting Unit shall be exercised as the Owners among themselves determine, and the Secretary of the Association shall be notified of such designation prior to any meeting. In the absence of such notification, the vote allocated to the Voting Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote. Any Owner of a Voting Unit which is leased may assign his voting right to the tenant, provided that a copy of the instrument of assignment is furnished to the Secretary of the Association prior to any meeting at which the tenant exercises the voting right.

Section 3.02 Proof of Membership. Any person or entity, upon becoming an Owner of a Lot, shall notify the Secretary of the Association of the date of ownership, along with a correct and current mailing address.

ARTICLE IV ASSOCIATION MEETINGS, QUORUM, VOTING, AND PROXIES

Section 4.01 Place of Meetings. Meetings of the Association shall be held at a suitable place designated by the Board of Directors (Board) either within the Properties or as convenient thereto as possible and practical.

Section 4.02 Association Meetings. Association meetings shall be scheduled by the Board of Directors as required. It shall be the duty of the Chairperson of the Board of Directors to call a meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by at least ten percent (10%) of the Members of the Association. Meetings of the Association shall be conducted by the Board of Directors. The Board of Directors is the elected body of the Association vested with the authority to conduct all Association business. An Association

meeting that requires a vote of the entire membership shall necessitate the sending of absentee ballots and minutes of the meeting to all Members as soon as possible after the meeting. Meetings of the membership of any Neighborhood may be held under the direction of the Neighborhood (senior) Director by following the same notice and quorum regulations as set forth in this Section.

Section 4.03 Notice of Meetings. Written or printed notice of any meeting shall be delivered, either personally or by mail, to each representative entitled to vote at such meeting. Non-voting Members shall be notified by the Newsletter and/or individual letter. The notice shall be given not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the Chairperson, the Secretary, or other persons calling the meeting. The notice of any meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at the meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his/her address as it last appeared on the records of the Association, with postage thereon prepaid.

Section 4.04 Waiver of Notice. Waiver of notice of the meeting of the Board shall be deemed the equivalent of proper notice. Attendance at a meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting at which proper notice was not given, is raised before the business is put to a vote and the objecting Director does not participate in the meeting except to object to notice.

Section 4.05 Voting. The voting and membership rights of the Directors shall be set forth in the Covenants, and such voting and membership rights provisions are specifically incorporated herein. If any item on the meeting agenda requires a membership vote, all Members in good standing shall receive a mailed ballot.

Section 4.06 Proxies. Directors shall vote in person. They may not vote by proxy.

Section 4.07 Majority. As used in these By-Laws, the majority shall mean those votes, as cast by Directors, Members, or other group as the context may indicate, totaling more than fifty percent (50%) of the total number of votes cast.

Section 4.08 Quorum. Except as otherwise provided in these By-Laws or in the Covenants, the presence in person of more than fifty percent (50%) of the Directors shall constitute a quorum at all meetings of the Association. Any provision in the Covenants concerning quorums is specifically incorporated herein.

Section 4.09 Conduct of Meetings. The Chairperson of the Board of Directors shall preside over all meetings of the Association. The Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Section 4.10 Action Without a Meeting. Any action required by law to be taken at a meeting of the Association, or any action which may be taken at a meeting of the Association, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the Directors entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Association.

ARTICLE V
BOARD OF DIRECTORS AND CHAIRPERSON OF THE ARB:
SELECTION AND TERM OF OFFICE

Section 5.01 Election and Term of Office. Association elections shall be held each November for the election of Directors and the Chairperson of the ARB. Directors and the Chairperson of the ARB shall be elected for two-year terms. Directors shall be elected by Neighborhood, and the Chairperson of the ARB shall be elected by the membership-at-large. Elections shall be conducted at Association or Neighborhood meetings and/or by mailed ballot. For each election, the Legal Committee (see Section 9.05) of the Board shall be responsible for counting and verifying the ballots.

Section 5.02 Board of Directors. One Director shall be elected for each one hundred (100) lots or any portion thereof within a Neighborhood. Consequently, Club Pointe and Plantation Summit shall have two Directors each, Fairway Ridge/Overlook Pointe and Fairway Oaks shall have one Director each (see Section 5.04 for exceptions). Three new Directors shall be elected each year as shown in the table below. The first year of a term a Director shall serve as a junior member of the Board, and the second year of a term as a senior member. This shall permit a year overlap of junior and senior members to enhance the continuity of the Association's business and to provide experienced members on each Board.

During each year of the two-year term, Directors shall serve as a Chairperson or Vice Chairperson of one of the four (4) standing committees and be responsible for filling their committee with required members (see Article IX). The Chairperson shall be the liaison from that committee to the Board.

Section 5.03 Architecture Review Board Chairperson. The Chairperson of the Architecture Review Board (ARB) shall be elected by the Association Members-at-large. The Chairperson shall be elected to a two-year term every other November as shown in the table below. The Chairperson of the ARB shall be permitted to be re-elected for an additional term(s). The Chairperson shall be a non-voting member of the Board of Directors

<u>TERM</u>	<u>ELECTION</u>	<u>NEIGHBORHOODS</u>
Jan 11 – Dec 12	Nov 10	Club Pointe, Plantation Summit, Fairway Oaks
Jan 12 – Dec 13	Nov 11*	Club Pointe, Plantation Summit, Fairway Ridge/Overlook Pointe
Jan 13 – Dec 14	Nov 12	Club Pointe, Plantation Summit, Fairway Oaks
Jan 14 – Dec 15	Nov 13*	Club Pointe, Plantation Summit, Fairway Ridge/Overlook Pointe
Jan 15 - Dec 16	Nov 14	Club Pointe, Plantation Summit, Fairway Oaks
Jan 16 - Dec 17	Nov 15*	Club Pointe, Plantation Summit, Fairway Ridge/Overlook Pointe

* ARB Chairperson election

Section 5.04 Nominating Committee. Nominations for the election of members to the Board of Directors and the Chairperson of the ARB shall be made by a Nominating Committee. The Nominating Committee shall be appointed by the Board of Directors at the beginning of each year to serve a one-year term. The Committee shall be under the supervision of the Chairperson of the Legal Committee, consist of at least one member from each of the four Neighborhoods, and elect a Nominating Committee Chairperson. The Nominating Committee shall provide its proposed slate of Nominees to the Board of Directors no less than 30 days prior to any election.

Any Member in good standing may have his or her name placed on the ballot by presenting the Nominating Committee with a signed writing containing the signatures of three other Members. Write-in votes will be accepted during an election.

In the unlikely event that the Nominating Committee is unsuccessful in identifying at least one nominee for a specific Neighborhood vacancy, a member from a different Neighborhood shall be nominated. Under such circumstances, the “Out of Neighborhood” nominee will be elected and represent the Neighborhood in which the vacancy exists.

Section 5.05 Removal.

Section 5.05.01 Directors. A Director may be removed with or without cause by a majority vote of the Board of Directors at a special meeting called for the purpose of considering a Director’s removal. The Members of the Neighborhood the Director represents shall be notified at least five (5) days prior to the special meeting. If the Board of Directors votes to remove a Director, the vacancy shall be filled by an election of the Members of that Neighborhood (see Article IV).

Section 5.05.02 By the Board. Any Director who has three consecutive unexcused absences from Board meetings or who is delinquent in payment of any Assessment for more than thirty (30) days may be removed by the vote of a majority of the Directors present at a meeting at which a quorum is present and the Director has received notice of the intention to remove him or her. In this event the Board shall declare a vacancy. In the event of the death, disability, or resignation of a Director, the Board shall declare a vacancy. A date for the election of a successor shall be set for a Board declared vacancy. The successor shall be elected according to this Article and shall serve for the remainder of the term of the Director he/she is replacing.

Section 5.05.03 ARB Chairperson. The Chairperson of the ARB may be removed with or without cause by a majority vote of the Board of Directors at a special meeting called for the purpose of considering the Chairperson’s removal. If a vacancy is created, a successor shall be elected at the next Association election, and the Vice Chairperson of the ARB will act as Chairperson until that election.

Section 5.06 Compensation. No Director or the ARB Chairperson shall receive compensation for any service he or she may render to the Association. However, any Director or the ARB Chairperson may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 5.07 Action Taken Without a Meeting. The Directors shall have the right to take any action, which they could take at a meeting 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 VI MEETINGS OF DIRECTORS

Section 6.01 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, on a day agreed to by the entire Board at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should the meeting date fall upon a legal holiday or not be practical to be held on the scheduled date, then the Chairperson of the Board will reschedule it.

Section 6.02 Special Meetings. Special meetings of the Board of Directors shall be held when called by the Chairperson of the Board or by any two Directors, after not less than three days' notice to each Director.

Section 6.03 Quorum. A majority of the number of Directors (four of six) shall constitute a quorum for the transaction of business. The ARB Chairperson shall not be counted for quorum purposes. Every act done or decision 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 of Directors.

Section 6.04 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 6.05 Adjournment of Meetings. If a meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting, may adjourn the meeting to a time not less than three (3) nor more than fifteen (15) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business, which might have been transacted at the meeting originally called, may be transacted. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to the Directors in the manner prescribed for regular meetings.

The Directors present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum, provided that at least twenty-five

percent (25%) of the total votes of the Board remain present in person, and provided further that any action taken shall be approved by at least a majority of the Directors required to constitute a quorum.

Section 6.06 Telephonic Participation. One or more Directors may participate in any regular or special meeting of the Board by telephone conference call, and those Directors so participating shall be counted for quorum purposes.

ARTICLE VII

POWERS AND DUTIES OF BOARD OF DIRECTORS

Section 7.01 General The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Directors are directly responsible to the members of each Neighborhood they represent. The Board of Directors may do all such acts as are not directed by law, these By-Laws, or the Covenants to be exercised by the Members.

Section 7.02 Specific Powers and Duties. Without limiting the generality of powers and duties set forth in Section 7.01 above, the Board of Directors shall be empowered and shall have the powers and duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Covenants.

(b) To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of Timberlake Plantation, with the right to amend same from time to time. A copy of such rules and regulations shall be delivered to or mailed to each Member promptly after adoption.

(c) To keep in good order, condition and repair all the Common Areas and all items of personal property, if any, used in the enjoyment of the Common Areas. No approval of the Members is required for expenditures for these purposes, except as otherwise required by the Covenants.

(d) To insure and keep insured all the insurable property contained in the Common Areas and to maintain casualty and other insurance, all as required by the Covenants.

(e) To fix, determine, levy and collect the prorated annual Assessments to be paid by each of the Members towards the gross expenses of Timberlake Plantation, and to adjust, decrease or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.

(f) To levy and collect special Assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All special Assessments shall be in statement form and shall set forth in detail the various expenses for which the Assessments are being made.

(g) To levy and collect default Assessments for violation of the Timberlake Plantation Documents or because the Association has incurred an expense on behalf of a Member under the Timberlake Plantation Documents.

(h) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Covenants and these By-Laws; to enforce a late charge of not less than \$100 in connection with any Assessments remaining unpaid more than 30 days from the due date for payment; to collect a \$5.00 interest payment monthly for each delinquent month, or such other rate set by the Board on unpaid Assessments in accordance with Section 4.08 of the Covenants; and to exercise other remedies for delinquent Assessments as set forth in the Covenants.

(i) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Covenants and these By-Laws and to authorize the appropriate Directors to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary; provided, however, that the Board shall not borrow more than \$50,000 or cause the Association to be indebted for more than \$50,000 at any one time without the prior approval of a majority of votes of the Members.

(j) To enter into contracts within the scope of their duties and powers.

(k) To establish a bank account for the operating account of the Association and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(l) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by Members or their Mortgagee at convenient weekday business hours.

(m) To cause any and all access roads, parking areas and driveways in and to Timberlake Plantation and across the Property to be maintained.

(n) To cause the maintenance of the lawn, trees, shrubs and other vegetation, and the sprinkler or other irrigation systems located on the Lots and Common Area for the benefit of the Members.

(o) To delegate to the Manager or any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by another than by the Association, and to agree to assess to the Members a reasonable fee for such services.

(p) To supervise the Architectural Review Board and assist the Town of Chapin and the County of Lexington in the performance of their functions as related to the Association.

Section 7.03 Manager.

(a) The Board of Directors may employ for Timberlake Plantation a professional management agent or agents as Manager at a compensation established by the Board to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in Subsections (e), (f), (g), (h), (i) and (j) of Section 7.02 above.

(b) No management contract may have a term in excess of three (3) years and must permit termination by either party without cause and without payment of a termination fee on 60 days written notice.

Section 7.04 Association Secretary.

(a) The Board of Directors shall employ for Timberlake Plantation a Secretary for the Association at a compensation established by the Board. The Secretary will be responsible to the Board of Directors under the supervision of the Chairperson. The Secretary shall perform the duties outlined in these By-Laws and other duties as established by the Board.

(b) The contract for the Secretary must permit termination by either party without cause and without payment of a termination fee on 60 days' written notice.

Section 7.05 Accounts and Reports. The following management standards of performance will be followed unless the Board of Directors by resolution specifically determines otherwise:

(a) Accrual accounting, as defined by generally accepted accounting principals shall be employed.

(b) Accounting and controls should conform with established AICPA guidelines and principles. A segregation of accounting duties should be maintained, and disbursements by check shall require two signatures. Cash disbursements shall be limited to amounts of \$25 and under.

(c) Cash accounts of the Association shall not be commingled with any other accounts.

(d) No remuneration shall be accepted by the Board of Directors, Chairperson of the ARB, or the Manager from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; anything of value received by a Director, Chairperson of the ARB, or Manager or any agent shall benefit the Association.

(e) Any financial or other interest which the Manager, a Director, the Chairperson of the ARB, the Treasurer, or the Association Secretary may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors.

(f) Monthly financial reports shall be prepared for the Board of Directors containing:

(i) An income statement reflecting all income and expense activity for the preceding month on an accrual basis;

(ii) An account activity statement reflecting all receipt and disbursement activity for the preceding month on an accrual basis; and

(iii) A delinquency report listing all Members who are delinquent in paying their annual Assessments or fines and describing the status of any action to collect funds which remain delinquent.

(g) A balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year shall be distributed to the Members. At the written request of an Owner or First Mortgagee, such statements shall be audited at

their expense. Any such audited statements shall be delivered to any Owner requesting the report and to the Association upon payment of a reasonable fee for copying.

(h) An account status report reflecting the status of all accounts in an "actual" versus "approved" budget format with a budget report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts) shall be prepared for the Board periodically and available to all Members on an annual basis.

Section 7.06 Hearing Procedure. The Board of Directors or ARB shall not impose a fine, suspend voting rights or suspend any rights of a Member or other occupant for violations of rules and regulations or of the provisions of the Timberlake Plantation Documents unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from the alleged violation shall be served upon the alleged violator by the Board of Directors or the ARB specifying:

- (i) The alleged violation;
- (ii) The action required to abate the alleged violation; and
- (iii) A time period, not less than five (5) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after notice, if the violation is not continuing.

(b) Notice. At any time within 12 months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board of Directors or ARB or their delegates shall serve the violator with written notice of the sanction to be imposed. The notice shall contain:

- (i) The nature of the alleged violation;
- (ii) The date the sanction will begin or began and the action required to stop a continuing sanction;
- (iii) The sanction being imposed; and
- (iv) An invitation to request, within five (5) days, a hearing with the Legal Committee to produce any statement, evidence, and witness on the Member's behalf.

(c) Hearing. A hearing shall be held, if requested by the violator, within seven (7) days of the request to afford the violator a reasonable opportunity to be heard. The Hearing Committee shall be chaired by the Chairperson of the Legal Committee and consist of at least three members of the Legal Committee. The Committee shall present proof of demand and notice documentation, the status of the violation, and the proposed sanction to be imposed. The violator shall be given the opportunity to present written and oral evidence and/or witnesses. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

If the violator does not request a hearing within the permitted time period (7 days), the sanction shall be considered final.

(d) Appeal. The violator may appeal a decision of the Hearing Committee to the Board of Directors. A request for an appeal meeting must be submitted to the Chairperson of the Board of Directors, in writing, within seven (7) days of the Hearing Committee's meeting. Upon request, the Chairperson of the Board of Directors shall call a special (appeal) meeting of the Board of Directors to be held within seven (7) days of receipt of the violator's request. The violator will be notified in writing of the time, date, and place of the appeal meeting. The Chairperson of the Hearing Committee shall present the demand, notice, hearing request, and minutes of the Hearing Committee. The violator shall be given an opportunity to present oral and written evidence and provide witnesses. Minutes of the meeting shall be produced, and the decision of the Board of Directors shall be final.

If the violator does not request an appeal meeting within the permitted time period (7 days), the sanction shall be considered final.

These procedures shall not be necessary in order to impose any sanction or penalty for non-payment of a delinquent Assessment.

The ARB shall employ the procedures in Subsection (a) and (b) before ordering modification or removal of any Improvement erected without its proper consent or before fining any Member for violations of the ARB Policies and Procedures Manual. Owners shall follow the above procedure in Subsections (c) & (d) in contesting a decision of the ARB. The Chairperson of the Legal Committee shall then proceed with the hearing process consistent with Subsection 7.06(c) above, and the Board of Directors shall consider appeals regarding such matters in the manner set forth above.

ARTICLE VIII OFFICERS, SECRETARY, AND TREASURER DUTIES

Section 8.01 Officers. The Board of Directors shall approve from among the senior Directors, a Chairperson and Vice Chairperson to oversee and facilitate meetings of the Board of Directors. The Chairperson shall serve as the President of the Association, and the Vice Chairperson shall serve as the Vice President of the Association.

Section 8.02 Secretary. A Secretary for the Association shall be hired by the Board (see Section 7.04) to perform established tasks (see Section 8.10 (c)) under the supervision of the Chairperson.

Section 8.03 Treasurer. The Treasurer of the Association may be a qualified Member or salaried employee, selected by the Finance Committee and approved by the Board of Directors. The Treasurer may be compensated by the Board.

Section 8.04 Election of Officers. The election of the Chairperson and Vice Chairperson of the Board of Directors shall take place at the first meeting of the new Board of Directors following the annual election.

Section 8.05 Term. The officers of the Association shall be elected annually and shall serve for a term of one year, unless he/she shall be removed or otherwise disqualified to serve.

Section 8.06 Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine.

Section 8.07 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 Chairperson, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.08 Vacancies. An officer vacancy shall be filled by a senior member of the Board.

Section 8.09 Multiple Offices. No person shall simultaneously hold more than one of the Association officer positions.

Section 8.10 Duties. The duties of the officers, Secretary, and Treasurer are as follows:

(a) Chairperson. The Chairperson of the Board of Directors shall preside at all meetings of the Association and Board of Directors and shall supervise the Association Secretary. The Chairperson of the Board shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes.

(b) Vice Chairperson. The Vice Chairperson of the Board shall act in the place and stead of the Chairperson in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Boards and the Association and serve notice of these meetings. The Secretary shall be under the supervision of the Chairperson of the Board of Directors and perform the duties outlined below:

- (i) Attend and prepare minutes for all meetings of the Board of Directors, ARB, and the Association;
- (ii) Prepare the monthly Association Newsletter;
- (iii) Keep the corporate seal of the Association;
- (iv) Prepare Association correspondence for Board Members;
- (v) Keep appropriate current records showing the Members of the Association together with their addresses;
- (vi) Assist the Treasurer with financial correspondence; and
- (vii) Establish and maintain Association historical files at a location established by the Board of Directors.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall prepare all vouchers and assessments, shall keep proper books of account, and shall prepare the financial statements provided for by Section 7.05 above and deliver or make copies available of each to the Members. The Treasurer shall maintain bank account signature cards with three names for the purpose of co-signing checks. The three names shall include the Treasurer, Chairperson of the Finance Committee, and one other Director as determined by the Board of Directors. The Treasurer shall co-sign all promissory notes of the Association.

ARTICLE IX COMMITTEES

Section 9.01 General. The Association maintains four (4) standing committees and the Architectural Review Board (ARB). Committees and the ARB shall perform the tasks of providing meeting-to-meeting factual information and recommendations to the Board of Directors. Committee/ARB members shall be approved by the Board of Directors and shall serve at the pleasure of the current Board and may be terminated by a simple majority vote of the Board of Directors.

All committees/ARB are subject to the actions of the Board of Directors. The Chairperson of each committee shall be a Director (see Sections 9.02 – 9.05) as elected by the Board of Directors at its first meeting. The Vice Chairpersons of the Common Areas and Legal Committees shall be junior Directors (see Sections 9.03 and 9.05). The Chairperson of the ARB shall be elected by the Association Members-at-large (see Section 5.04).

The affirmative vote of a majority of the members present at any committee/ARB meeting shall govern its actions. A quorum on all committees/ARB shall consist of more than fifty (50%) percent of its members.

Should any committee/ARB member become unable to serve, a successor may be appointed by the committee/ARB Chairperson, subject to approval by the Board of Directors. Each committee/ARB shall submit an annual budget of its operating needs to the Finance Committee prior to August 31 of each year.

Section 9.02 Finance Committee. The Finance Committee shall report the current financial status of the Association at each meeting of the Board of Directors. The Chairperson of the Committee shall be a senior Director, and the Treasurer shall be a member of the Committee. In maintaining the financial integrity of the Association, the Finance Committee shall:

- (a) audit the previous year's work;
- (b) prepare a budget for the Association for approval at the October meeting of the Board of Directors of each year;
- (c) bill and collect regime, Legal Committee, and ARB fees;
- (d) pay all bills of the Association as approved by the budget or a special vote of the Board of Directors;
- (e) be empowered to hire a Treasurer, after approval by the Board of Directors, whose employment may be extended by succeeding committees. The

Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Finance Committee; and

(f) be empowered to hire an accountant advisor to audit monthly finance records and to prepare tax documents.

Section 9.03 Common Areas Committee. The Chairperson and Vice Chairperson shall be a senior Director and junior Director respectively. The Common Areas Committee shall:

(a) contract for and supervise all work needed to maintain the common areas of the Association;

(b) submit to the Finance Committee a two-year plan for capital improvements to the common areas within 45 days of the end of their term;

(c) submit to the Finance Committee by August 31 the Committee's budget requirements for the next year;

(d) assure that there is adequate security for the neighborhood; and

(e) serve as a liaison with the appropriate governing bodies to ensure the tranquility of wildlife in the community.

Section 9.04 Social Committee. The purpose of the Social Committee is to promote Timberlake Plantation as an ideal setting for harmonious community living. The Chairperson of the Committee shall be a junior Director. The Social Committee shall:

(a) Plan and execute social functions for the Association;

(b) Be responsible for visiting and welcoming new homeowners within the community, extending hospitality, and providing information concerning the Association's documents and activities;

(c) Submit to the Finance Committee by August 31 the Committee's budget requirements for the next year; and

(d) Serve as a liaison between the owners of Timberlake Country Club and the Association.

Section 9.05 Legal Committee. The Chairperson and Vice Chairperson shall be a senior Director and junior Director respectively. The Legal Committee shall be responsible for seeking advice for the Board of Directors and ARB on all legal matters that concern the Covenants, By-Laws, ARB Policies and Procedures and all other legal compliance by the Association. The Legal Committee shall enforce all rules and regulations of the Association and the decisions of the Board of Directors and the ARB, including the collection of fines and penalties. The Legal Committee shall:

(a) act on all matters that concern the selections of the Nominating Committee and shall be responsible for the integrity of all elections held within Timberlake Plantation;

(b) be responsible for recommending to the Board of Directors any changes, amendments, or additions to the Covenants and By-Laws;

(c) be responsible to all Members for acting on all matters of compliance with the Association's By-Laws and Covenants;

(d) provide at least three (3) Members to serve as a Hearing Committee for each requested hearing as part of the Hearing Procedure (Section 7.06); and

(e) submit to the Finance Committee by August 31 the Committee's budget requirements for the next year.

Section 9.06 Architectural Review Board (ARB). The Chairperson of the ARB shall be elected by the Association Members-at-large for a two-year term. The ARB shall be responsible for the administration of the Architectural Policies and Procedures Manual for the Association. The ARB shall study, review, and either approve or reject proposed Improvements in accordance with the Covenants, and in compliance with rules and regulations as determined by the Board of Directors.

(a) The ARB shall exercise its best judgment to ensure that all Improvements conform to and harmonize with the external design, quality and type of construction, materials, color, location on the building site, height, grade and finished ground elevation, and all aesthetic considerations of existing structures and as set forth in the Architectural Policies and Procedures Manual.

(b) The ARB shall ensure that no Improvements be erected, placed, or altered on any lot, building site, or project parcel, nor any construction be commenced until a plan for such improvements and alterations has been approved. Any improvement or construction, which is completely within a building, may be undertaken without such approval.

(c) The ARB, in conjunction with the Legal Committee, may seek any and all legal or equitable remedies available to it in the event of a violation of ARB guidelines or noncompliance with such guidelines by an owner. The ARB may assess a fine as stipulated in the ARB Policies and Procedures Manual and/or of \$30 per day against any Member for each event of noncompliance or violation. Collection of such shall be subject to enforcement under all provisions contained herein, including those that provide for such sums owed to become a lien on the Lot. The Hearing Procedure (Section 7.06) shall be followed with the ARB serving the demand and the notice documentation to the violator. The violator may request a hearing by the Legal Committee. If the violator does not request a hearing within 7 days, the sanction shall be considered final. A violator may request an appeal of an unfavorable hearing to the Board of Directors. Fines under appeal are suspended until the Board of Directors reaches a decision. The decision of the Board of Directors shall be final.

(d) The decisions of the ARB in approving or rejecting plans or other information submitted to it, or with respect to any other matter before it, are discretionary and shall be conclusive and binding on all interested parties and subject only to an appeal to the Board of Directors, whose decision is final.

(e) The ARB may avail itself of technical and professional advice and consultation as it deems appropriate.

(f) All expenses of the ARB shall be paid by the Association. The ARB shall have the right to charge a fee for each application submitted to it for review. Such fees shall be collected by the Finance Committee as operating income for the Association. An initial fee per dwelling unit shall be established by the ARB, subject to

approval by the Board of Directors. The fee shall be specified in the ARB Policies and Procedures Manual.

(g) The ARB shall adopt, establish, and publish an ARB Policies and Procedures Manual, which shall be a Timberlake Plantation Document. The Policies and Procedures Manual shall not be inconsistent with the Covenants or these By-Laws, but shall more specifically define and describe the design standards for Timberlake Plantation and the various uses within Timberlake Plantation. The Policies and Procedures may be modified or amended from time to time by the ARB, subject to approval by the Board of Directors.

The ARB, in its sole discretion, may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements. Compliance with the Timberlake Plantation design review process is not a substitute for compliance with the Lexington County Building, Zoning, and Subdivision Regulations, and each owner is responsible for obtaining all approvals, licenses and permits as may be required by any governmental agency prior to commencing construction.

(h) As part of the Policies and Procedures, the ARB shall make and publish such rules and regulations as it may deem appropriate to govern its proceedings; however, the Board of Directors must approve all such rules and regulations.

(i) All applicants may appeal the decision of the ARB to the Board of Directors per Section 7.06(d) above. An applicant is entitled to one appeal for each violation decision of the ARB.

(j) The ARB shall use reasonable judgment in accepting or rejecting all plans and specifications submitted for review. Neither the ARB, nor any individual ARB member shall be liable to any person for any official act of the ARB in connection with submitted plans and specifications, except to the extent the ARB, or any individual ARB member, acted with malice or wrongful intent.

Notwithstanding that the ARB has approved plans and specifications, neither the ARB, nor any of its members, shall be responsible or liable to any owner, developer or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the improvements. Neither the Board of Directors, the ARB, nor any agent thereof shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Timberlake Plantation Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events, the ARB shall be defended and indemnified by the Association in any such suit or proceeding, which may arise by reason of the ARB's decision. The Association, however, shall not be obligated to indemnify each member of the ARB to the extent any such member of the ARB shall be adjudged to be liable for negligence or misconduct in the performance of his duty as a member of the ARB, unless and then only to the extent that the court in such action or suit may be brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as such court shall deem proper.

(k) Approval by the ARB does not necessarily assure approval by the appropriate governmental board or commission for Lexington County, South Carolina.

(l) Upon payment of a reasonable fee established from time to time by the ARB, and upon written request of any Owner or his/her agent, an existing or prospective Mortgagee or a prospective grantee, the ARB shall issue an acknowledged certificate, in recordable form, setting forth generally whether, to the best of the ARB's knowledge, the Owner is in violation of any of the terms and conditions of the Timberlake Plantation Documents. Unless such request shall be complied with within thirty (30) days after receipt of the request, it shall be conclusively presumed that the Owner and the Owner's improvements are in conformance with all the terms and conditions subject to the control of the ARB.

(m) The Committee shall submit its budget requirements for the next year to the Finance Committee by August 31.

ARTICLE X INDEMNIFICATION

Section 10.01 Indemnification. The Association shall indemnify every Director, Chairperson of the ARB, Secretary, Treasurer, and Manager and former Governor, Director, Chairperson of the ARB, Secretary, Treasurer, and Manager and their representative successors, personal representatives and heirs against all loss, costs and expenses, including counsel fees reasonably incurred by such person in connection with any action, suit or proceeding to which such person may be made a party by reason of such person's being or having been a Governor, Director, Chairperson of the ARB, Secretary, Treasurer, or Manager, except as to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of such person's duties as such Governor, Director, Chairperson of the ARB, Secretary, Treasurer, or Manager. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of such person's duties as such Governor, Director, Chairperson of the ARB, Secretary, Treasurer, or Manager.

The foregoing rights shall not be exclusive of other rights to which such Governor, Director, Chairperson of the ARB, Secretary, Treasurer, or Manager may be entitled. All liability, loss, damage, cost and expense arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense.

ARTICLE XI AMENDMENTS

Section 11.01 Amendments. These By-Laws may be amended at a regular or special meeting of the Board of Directors, by a vote of a majority of a quorum of Directors present in person, but amendment of Article V or X or any portion of those articles shall require approval of all Directors. Any Material Amendment, as defined in

Covenants Section 18.02(c) or any annexation of a development community, shall be subject to the requirements of the Covenants Section 18.02.

ARTICLE XII
MISCELLANEOUS

Section 12.01 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each year.

Section 12.02 Corporate Seal. The Association shall have a seal in circular form having within its circumference the words: "Timberlake Plantation Owners Association."

Section 12.03 Conflicts of Documents. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Covenants and these By-Laws, the Covenants shall control.

IN WITNESS WHEREOF, this _____, we being all the duly elected Board of Governors and the Chairperson of the Board of Directors of the Timberlake Plantation Owners Association, Inc. do hereby set our hands.

WITNESS:

BOARD MEMBERS:

Bev Hall
Chairman of the Board

Alan Arnold
Vice-Chairman of the Board

Bruce Brubach
Board Member

Brian Sherota
Board Member

Mike Oliver
Board Member

Jean Smith
Board Member

Alex Ciani
ARB