



THESE COVENANTS ARE SUBJECT TO ARBITRATION IN ACCORDANCE WITH
CHAPTER 48, TITLE 15 OF THE SOUTH CAROLINA CODE OF LAWS AS
PROVIDED FOR IN ARTICLE XIII

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESTRICTIVE COVENANTS, CONDITIONS AND EASEMENTS

BAREFOOT COVE SUBDIVISION

January 16, 2007

Reference Plat Book _____ at page _____

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BAREFOOT COVE SUBDIVISION

ARTICLE I
ESTABLISHMENT OF RESTRICTIVE COVENANTS

These Restrictive Covenants and Easements shall apply to the
Subdivision known as Barefoot Cove as shown by a Plat by Barry L.
Collins, dated June 21, 2005, last revised, January 8, 2007 and
filed with the Register of Deeds of Oconee County in Plat Book
_____ at Page _____ ("the Plat").

ARTICLE II
DEFINITIONS

1. **Definitions:** The following definitions shall apply to these Restrictive Covenants.
 - a. **"Assessment"** means the charges made to the Lot Owner(s) to pay for the expenses of the road to the Lot and adjoining lots and any other expense common to the Lot with adjoining lots.
 - b. **"Association"** shall mean Barefoot Cove Property Owners Association, Inc.
 - c. **"Covenants"** shall mean the Restrictive Covenants herein filed with the records of Oconee County and all supplementary or amended Covenants that may be filed in accordance with these Covenants from time to time.
 - d. **"Developer"** shall mean the same as Declarant and shall mean Barefoot Cove, LLC.
 - e. **"Dwelling"** is any structure which is the principal residence or home on the Lot.
 - f. **"Guest House"** is a structure not exceeding 750 square feet of living space, which may be part of a garage, and which shall not be occupied by more than four persons at any one time.

- g. "Lot" shall mean a numbered tract as shown and described by the Plat.
- h. "The Lots" shall mean the numbered tracts, 1 thru 14, as shown by the Plat.
- i. "Lot Owner" or "Owner" shall mean any person, corporation, partnership, trust, or other entity that owns the Lot and means any person or entity as defined in this paragraph who has or acquires an interest in the Lot by Deed, including Quit Claim Deed, Tax Deed, Deed by Foreclosure, or acquires by inheritance. Specifically, a person who acquires an interest at a sale of the property for taxes by Oconee County or other governmental agency shall be an "Owner" for all purposes of these covenants.
- j. "Plat" means the plat of the Lot prepared by Barry L. Collins, RLS #11903, dated June 21, 2005, last revised January 8, 2007, and filed with the Oconee County Register of Deeds in Plat Book _____, at Page _____ as set forth above.
- k. "Road" shall mean Barefoot Cove Drive as shown on the Plat.
- l. "Subdivision" shall mean Barefoot Cove as shown by the Plat.
- m. "Vehicle" when used in describing what may be kept on Lots, shall include boats, jet-skies, off-road or all terrain vehicles, and all other objects which are commonly moved from place to place.
- n. "Wald Property" shall mean the property purchased by Developer from Alice M. Wald by deed dated September 15, 2005, and filed with the Oconee County Register of Deeds in Deed Book 1446 at page 252.

ARTICLE III
PROPERTY SUBJECT TO COVENANTS AND DECLARATION

1. **Property Subject to Covenants.** The real property which is held, transferred, sold, conveyed and occupied as shown by the Plat, including docks, which may be constructed over the waters of Lake Keowee.

2. **Crescent Resources, LLC Covenants.** The deed from Crescent Resources, LLC. to Jemiki Properties, L.L.P., contains "General Restrictions" at Deed Book _____ at Page _____, ("Crescent Covenants") which Restrictions were incorporated in the deed from Jemiki Properties, L.L.P. to Barefoot Cove, LLC, dated

January 16, 2007, and filed with the Oconee County Register of Deeds in Deed Book _____ at page _____. These Covenants apply to portions of Lots 1, 2, 3, 4, and 5 as shown by the Plat. In the event of a conflict between these Covenants and the Crescent Covenants, the Crescent Covenants shall govern.

**ARTICLE IV
PROPERTY RIGHTS**

1. **Ownership of Road.** By filing the Plat the Declarant has dedicated Barefoot Cove Drive to the Lots which abut the Road and each Lot Owner has a right to use the Road for ingress and egress to his Lot, however, the Road is NOT dedicated for public use and the Lot Owners may, by majority vote, agree to restrict access to the Subdivision and erect an appropriate access gate. These Covenants and the Bylaws provide that the Lot Owners who abut the Road (Lots 2 through 14 only) shall be assessed for Road maintenance.

**ARTICLE V
USE OF LOTS**

1. **Use of Lots - Residential Purposes.** The Lot shall be used for residential purposes only. No structures may be constructed on the Lot except:

- a. One single family Dwelling;
- b. One detached garage;
- c. One Guest House;
- d. A storage building, not to exceed 200 square feet;
- e. A gazebo; and
- f. A boat dock approved by Duke Energy Corporation.

2. **Approval of Plans.** All building plans, sites, elevations, and specifications for any Dwelling, boat house, Guest House, storage building, gazebo, detached garage, fence of any kind, or any other structure, and any change or alteration, must be approved by the Developer or its Designee prior to construction. Approval shall not be unreasonably withheld. All plans submitted must be approved or disapproved in writing within sixty (60) days after submission. Approval by the Developer is valid for one-year. If construction of a Dwelling or structure is not begun within one year, plans must be re-submitted for approval. Developer may vest approval authority in a committee of Lot Owners appointed by it or by the Barefoot Cove Property Owners Association, Inc. Declarant may establish rules or standards for minimum square footage of Dwellings and other structures, roof design and other requirements.

If such standards are adopted, they shall be enforceable.

3. **Right to Inspect.** Declarant or its designee shall have the right, at its election, to enter upon any Lot during or after construction, erection, or installation of improvements or alterations, or at any other time to determine that such work is being performed in conformity with this Declaration, with any governmental requirements, the approved plans and specifications, and in good workmanlike manner, utilizing methods and good quality materials.

4. **Construction Materials.** All Dwellings or other structures constructed on Lots must be of high quality materials and workmanship and must comply with all codes of governmental agencies having jurisdiction over the Subdivision. All structures shall be constructed of the same materials as the Dwelling, except a boat dock.

5. **Trash - Debris.**

a. **No Dumping of Trash Allowed.** No dumping of trash, oil, paint, brush, or any other material shall be permitted within the Subdivision. Trash, garbage or other waste shall not be kept on any Lot except in approved sanitary containers. All garbage cans and containers shall be screened in such a manner that they are not visible from the paved road. Each Lot Owner is responsible for their garbage/waste to the county facilities.

b. **Burning of Brush - Debris.** The burning of brush, garbage or debris shall not be allowed within the Subdivision, provided, that when a Lot is cleared for the construction of a Dwelling, brush may be burned if permitted by governmental authorities having jurisdiction. In no event, however, shall burning of brush be allowed if it shall be dangerous or a nuisance.

6. **Household Pets Allowed.** No animals shall be kept on any Lot except not more than two (2) dogs or cats shall be kept on any Lot. Any outside pet shall be kept in an enclosed fence in the rear of the Lot and not visible from the street. Any pet within the Subdivision outside of the Lot of the Owner shall be on a leash. No dog that barks so as to interfere with the quiet enjoyment of the other Owners shall be permitted. All dogs must be on a leash when they are off of the Lot of the Owner. The Owner of any Lot shall remove droppings of any animal owned by him from any portion of the Subdivision, except his Lot.

7. **Set Backs - Interior Lots.** All dwellings and any other structures must be located at least thirty (30') feet from the front lot line of the Lot, at least ten (10') feet from each side

lot line, at least forty (40') feet from rear lot line, and at least fifty (50') feet from the 800 contour of Lake Keowee. Developer or its designee may, for good cause shown, grant variances of not more than ten (10') feet on front set-back lines and not more than five (5') feet from the rear or side lines.

8. **Foundations.** All foundations shall be concrete masonry units. All concrete block foundations must be veneered with real (not synthetic) brick, stone or stucco. No vinyl or plastic underpinning shall be allowed.

9. **Location of Structures or Plantings.** No structure or planting shall be located on any Lot so as to obstruct the view of any other Lot except with the approval of the Developer.

10. **Antennas.** No television, radio, or other "antenna" shall be permitted exceeding twenty-four (24") inches in diameter, or an extended antenna on a pole exceeding sixty (60") inches in length nor more than ten (10') feet from the top of the home. No antenna shall be installed unless and until approved by the Developer or its Designee. If this paragraph is in violation of Federal or South Carolina Law, then the law shall govern.

11. **Sewage Disposal.** All plumbing, lavatories, and sanitation devices must be indoors. All sewage systems shall be connected to a septic tank or cesspool designed, located and constructed in accordance with the requirements of the South Carolina Department of Health and Environmental Control.

12. **Trailers and Other Vehicles Prohibited.** Travel trailers, recreational vehicles, boats in excess of eighteen (18') feet, boat trailers, trucks (other than pick-ups¹, panel trucks, and vans) buses, and portable camping equipment shall not be kept in the Subdivision more than fourteen (14) days and then only if parked on the Lot Owner's paved parking area. Temporary street parking is permitted for loading and unloading, not to exceed twelve (12) hours.

13. **Parking.** All vehicles shall be parked in garages, carports, or driveways provided on each Lot. No vehicle shall be parked or allowed in or on the roadway for more than eight (8) hours. Gravel or dirt driveways or parking areas are not permitted.

14. **No Vehicle Maintenance Allowed.** No automotive or vehicle maintenance or repair may be performed within the Subdivision.

15. **Business Activity Prohibited Except Home Office.** No industry, business, trade, occupation or profession of any kind, whether commercial or otherwise, shall be conducted, maintained or permitted on any part of the Development, except home offices which

¹ A truck with large oversized tires shall not be considered to be "pick-up".

are not apparent from the outside. No business may be conducted which causes any appreciable increase in vehicular traffic or parking. No business, trade, or professional signs may be displayed. No manufacturing or industrial business, barber shops, or beauty shops. No Homeowner shall employ agents or employees within the Development.

16. **Time-Sharing Prohibited.** No Lot shall be used for Time-Sharing, as that term is defined by the South Carolina Law and no Dwelling shall be rented for a period of less than six (6) months. A Guest House and a Dwelling may not be rented to different renters at the same time.

17. **Utilities.** All telephone, water, and electrical lines must be underground. All fuel tanks or containers shall be screened from view or buried underground consistent with accepted safety and environmental precautions.

18. **Nuisance Prohibited.** No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance. The word "nuisance" shall be liberally interpreted.

19. **No Signs Allowed.** No signs or advertising displays may be placed in the Subdivision, inclusive of advertising for the sale of a home or Lot, except that a single sign, not to exceed twenty-four (24") inches by thirty (30") inches in size is permitted which announces that the Lot or home is for sale.

20. **Completion of Structure.** Any structure, landscaping or other work which has been started on any Lot must be pursued with reasonable diligence to completion. The exterior of any building must be completed within one (1) year after construction has commenced.

21. **Landscaping.** Upon completion of the construction of the Dwelling, the Lot Owner shall install grass and/or mulch on open areas. No structure other than a mailbox shall be erected between Lot boundaries and the street.

22. **View Areas.** Developer reserves the right to designate one or more "view areas" that shall be unobstructed views. Lot Owners shall not permit brush, vines, weeds or other vegetation to block the view of other any Lot Owner within such designated view areas. Developer and/or its designee shall have the right to require any Lot Owner to cut and remove any brush, vines, or other vegetation growing in the designated areas. If an Owner shall fail or refuse to comply with the request of the Developer and/or its designee shall have the right to enter upon the offending Lot for the purpose of removing the obstruction and the Owner of the offending Lot shall be liable for all costs of the removal.

23. **Dead or Hazardous Trees.** Dead or hazardous trees shall

be removed from any Lot where they would cause damage to an adjoining Lot if they fall. Any Lot Owner shall be responsible for removing any tree which falls on an adjoining Lot.

24. **Driveways.** All driveways must be surfaced with **porous** concrete upon completion of the exterior of the Dwelling.

25. **Erosion Control.** Lot Owners shall contain and control all silt and soil due to excavation and/or construction. All denuded areas shall be covered with mulch. Gravel and mud mats shall be installed at construction entrance of each site to retain mud, dirt, and debris from entering the roadway. If mud or debris washes onto pavement, said Lot Owner and/or builder will immediately wash and clean road surface. No Lot Owner shall construct or install any structure, ditch, bern, pipe, or take any other action so as to divert surface water onto any other Lot.

26. **Surface Water.** Developer shall not be held responsible for surface water run-off which naturally occurs from the extension of McAlister Road.

**ARTICLE VI
EASEMENTS**

1. **Drainage Easement.** A ten (10') feet wide drainage easement is reserved along the exterior Lot lines of each Lot. Developer may, but shall not be required to, enter upon the property for the purpose of correcting drainage problems.

2. **Utility Easement.** Easements are reserved for the installation of Utilities within the roadway or within ten (10') feet of any Lot, provided that any damage to any Lot during installation shall be repaired and the Lot restored.

**ARTICLE VII
ASSESSMENTS**

1. **Assessments.** Assessments and Fees shall be due, paid, and collected as follows:

- a. **Assessments for Maintenance of Barefoot Cove Drive:** The Lots (2 through 14 only) shall be assessed for maintenance of Barefoot Cove Drive. The fees collected shall be held in a special account established for that purpose. The initial assessment shall be the sum of Two Hundred (\$200) Dollars.
- b. **Liens and Judgments.** Assessments which are due shall constitute a lien against the Lot for which billed and shall be the personal liability of the Owner of the Lot. Past due assessments may be filed in the Assessments Lien Book kept with the

records of Oconee County, but such Assessments shall constitute a lien whether filed or not, provided such Assessment has been established and billed to the Lot Owner. The Developer shall be entitled to recover a judgment against the Lot Owner for the fees and assessment(s), including all costs of collection, including a reasonable attorneys' fee. Such lien established shall run with the land at law.

- c. **Tax Sale.** A sale of a Lot for taxes does not relieve a Lot Owner from any liability for any assessment and the lien established herein against the property continues notwithstanding the sale or disposition of the Lot by the Owners. A person who acquires a Lot or an interest in a Lot by the purchase at a tax sale shall be liable for assessments from the time that he bids on the Lot and the lien shall immediately attach and he shall be liable when the Lot is conveyed to him by deed. A tax sale of property does not relieve the Record Owner of the Lot at the time of the Tax Sale from any personal liability for any assessment and such liability continues until paid.

**ARTICLE VIII
ENFORCEMENT**

1. **Notice to Correct Violation.** The Developer or the Barefoot Cove Property Owners Association, Inc. shall notify any Lot Owner who violates any Covenant to correct a violation of the Covenants, particularly any unsightly or unsafe conditions or any condition requiring erosion control and if the Lot Owner fails to correct the condition within ten (10) days, the Developer or the Association shall have the right to enter upon the property, correct the condition, and to charge the Lot Owner for the cost of the correction. Any cost shall constitute and be treated as an Assessment under these Covenants and be a lien against the Lot and shall be a personal debt of the Owner.

2. **Enforcement of Covenants.** The Developer, Barefoot Cove Property Owners Association, Inc. or the Owner of any Lot within Barefoot Cove Subdivision may enforce these Covenants in law or in equity.

3. **Jurisdiction.** Any action brought by Developer, its assignee, the Association, or any person having standing to bring such action, against a Lot Owner for collection of fees, or the enforcement of any lien, or to enforce these Covenants shall be instituted in the Courts of Oconee County, irrespective of the residence or place of business of the Lot Owner against whom any action is brought and such Lot Owner shall be subject to the Jurisdiction of the Courts of Oconee County irrespective of his

place of residence or citizenship or principal place of business. In all actions brought pursuant to these Covenants, the law of South Carolina shall govern.

**ARTICLE IX
COVENANTS BINDING**

1. **Covenants Binding.** The Covenants shall be binding on the Lot Owner and shall run with the land and shall be enforceable against the Owner(s) of the Lot. These Covenants shall be binding as herein set forth for a period of thirty (30) years after which they shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the Owners of at least two-thirds (2/3) of the Lots located in Barefoot Cove agree in writing to change the Covenants in whole, in part, or to terminate them.

2. **Invalidation of Provision.** Invalidation of any provision of these Covenants by a court shall not affect any other provision or Covenants, which shall remain in full force and effect.

**ARTICLE X
AMENDING COVENANTS**

1. **Amended or Supplementary Covenants.** The Developer may issue supplementary or amended Covenants to these Restrictions within two (2) years by giving written notice to the Lot Owner, providing a copy of the Revised Covenants and filing the amended changes with the Register of Deeds of Oconee County.

2. **Amendment of Covenants.** The Covenants may be supplemented or amended by a written instrument executed by a majority the Lot Owners, each Lot having one vote. If the Covenants are amended by Majority vote, the amendment shall be filed with the Register of Deeds of Oconee County stating that an instrument has been executed by a majority of Lot Owners.

3. **Amendments.** Developer may make changes or amendments to the Site Plan (Plat) in order to carry out the general purpose and intent of the overall plan and design, including varying lot lines, set-back lines, easements and other changes.

**ARTICLE XI
NOTICES**

1. **Notices.**

a. All notices to the Developer shall be mailed (Certified) to:

Barefoot Cove, LLC
8090 Keowee School Road
Seneca, SC 29672

- b. All communications required by these Covenants to be made to the Lot Owner may be delivered by hand to such Owner in the same manner as service of process is made under the law and court rules of South Carolina. Notice shall be deemed to have been made if such communication is mailed by certified mail to the address given to the Developer or Association by the Lot Owner and in the absence of such record address then to the address shown on the Oconee County Tax Records at the time of the mailing and such notice mailed to or posted upon the Lot. If a certified mailing is returned or refused, such notice shall be sent by regular mail to the address shown by the Oconee County Tax Records and to the address of the Lot and such writing shall be posted on the applicable Lot. If there is no address in the Tax Records, notice to the Lot shall be given by mailing the notice to the address of the Lot and if the Lot is vacant, then such Notice shall be posted on the Lot. Such mailings and notices as set forth in this paragraph, when completed, shall be and shall constitute notice to the Lot Owner irrespective of whether the Lot Owner gets actual notice. All Notices shall be given not less than ten (10) days nor more than forty-five (45) days before an action is required by the Lot Owner, except in the case of emergency situations where immediate Notice is required.

**ARTICLE XII
BAREFOOT COVE PROPERTY OWNERS ASSOCIATION, INC.**

1. **Property Owners Association.** "Barefoot Cove Property Owners Association, Inc." will be organized and a charter applied for to the South Carolina Secretary of State which shall be the governing body for all of the Lot Owners with respect to the administration, maintenance, repair and replacement of the roads and common property. The Board of Directors of the Association shall be the form of administration of the Association and of the Subdivision. Whenever this instrument shall call for approval, permission or requirement of the Association, it shall mean the Board of Directors of the Barefoot Cove Property Owners Association, Inc. A copy of the By-Laws of the Barefoot Cove Property Owners Association, Inc. is attached hereto and made a part hereof as Attachment 1 and by reference incorporated herein as if fully set forth herein, and the provisions of the By-Laws are binding.

**ARTICLE XIII
ARBITRATION**

1. **Dispute Among Owners.** In the event of a dispute among Owners, it shall be settled by Arbitration in accordance with the South Carolina Arbitration Act, except that one Arbiter shall serve. The parties shall endeavor to agree on a mutually agreeable arbitrator, but if they cannot agree an Arbitrator shall be appointed by a Circuit Judge serving Oconee County. The Judge may select an arbiter who is common to lists provided by the litigating parties, but is not required to do so. Arbitration may be sought by any Owner who files a written request with the Court, and provided to all other Owners and the Association, in accordance with this provision and the South Carolina Arbitration Act, stating the nature of the dispute.

2. **Award by Arbitration Filed as Judgment.** Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. In the event of litigation or arbitration between the parties, the Arbitrator shall assess costs and expenses, including attorney's fees.

3. **Action Against the Association.** Any person who brings an action against the Association challenging any provision of these Restrictive Covenants or brings any action relating to Barefoot Cove Subdivision shall be settled in accordance with this Article, except that such person shall pay all costs of such action, including attorney's fees, if such action is not successful.

4. **Action Against Developer, Contractor, or Surveyor.** Any action by any Owner or by the Association against the Developer, any Contractor who makes improvements for the Owner, or the Surveyor shall be settled by Arbitration in accordance with this Article.

January 16, 2007

Barefoot Cove, LLC

By: _____
Donald Payne

By: _____
Brian Ramsey

ATTACHMENT 1

BY-LAWS OF

BAREFOOT COVE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location

The name of this Association is Barefoot Cove Property Owners Association, Inc.. Its principal office is located in Oconee County, South Carolina.

ARTICLE II

Purpose

The purpose of this Association is to act on behalf of its members collectively as their governing body with respect to the administration, maintenance, repair and replacement of that certain property which is road and common property of the Lot Owners of Barefoot Cove.

ARTICLE III

Membership

Section A. Members. The members shall consist of all of the Owners of that property located in Oconee County, South Carolina, known as Barefoot Cove as shown by a Plat by Barry L. Collins, dated June 21, 2005, last revised January 8, 2007, filed with the Oconee County Register of Deeds in Plat Book _____ at page _____.

Section B. Transfer. Except as provided herein membership shall not be transferable. The membership of each Lot Owner shall terminate upon a sale, transfer or other disposition of his ownership interest in the property, and thereupon the membership shall automatically transfer to and be vested in the new Owner succeeding to such ownership interest.

ARTICLE IV

Members' Meetings

Section A. Annual Meeting. The annual members' meeting shall, except as set forth in Section H of this Article, be held at a suitable place at _____ o'clock a.m. on the first Wednesday of March of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members. If that day is a legal holiday, the meeting shall be held at the same hour on the next day.

Section B. Special Meetings. Special members' meetings shall be held whenever called by the President and Vice-President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to

cast one-third (1/3) of the votes of the entire membership.

Section C. Notice. Notice of all members' meetings, stating the time and place and the objects for which the meeting is called, shall be given by the President or Vice-President/Secretary, unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meetings may be waived before or after meeting. If the address of a member is not recorded on the books and not known, the address which appears on the tax records of Oconee County shall constitute an address and a mailing to that address shall give notice.

Section D. Quorum. A quorum at members' meetings shall consist of ten (10) Lot Owners. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting for at least ten (10) days, and adequate notice of the new date shall be given as described in Section C of this Article.

Section E. Voting. Each Lot Owner shall have one vote.

Section F. Majority. The vote of the majority of the ownership interests present or represented by proxy at a meeting at which a quorum is present is necessary for the adoption of any matter voted upon by the members.

Section G. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the Secretary before the appointed time of the meeting.

Section H. Meetings Prior to Completion of Project. Until Developer has completed and sold all of the Lots from time to time constituting Barefoot Cove or until the Developer elects to terminate its control of the Development, whichever shall first occur, there shall be no meeting of members of the Association unless a meeting is called by the Board of Directors.

ARTICLE V
Board of Directors

Section A. Function. The affairs of this Association shall be managed by a Board of three (3) Directors. The initial Board of Directors shall be named by the Developer and thereafter the Board shall be elected by the members at their annual meeting, who shall hold office for one (1) year and until their successors are elected and qualified. After completion of the project, each member of the Board of Directors shall be either the Lot Owner, have an interest therein, or in the event of corporate ownership, be a designated agent of the corporation.

Section B. Vacancies. Except as to vacancies provided by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

Section C. Removal. Any Director elected by the members may be removed by concurrence of two-thirds (2/3) of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

Section D. Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected and no further notice of the organizational meeting shall be necessary, provided a quorum shall be present.

Section E. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director personally or by mail, telephone, or fax at least three (3) days prior to the day named for such meeting.

Section F. Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of two-thirds (2/3) of the Directors. Notice of the meeting shall be given personally or by mail, telephone or fax at least three (3) days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section G. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

Section H. Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration, or these By-Laws. If at any meeting of the Board of Directors less than a quorum is present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

ARTICLE VI
Powers and Duties of the Board of Directors

Section A. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, by the Declaration or by these By-Laws directed to be exercised and done by the Owners.

Section B. Other Duties. In addition to duties imposed by these By-Laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

1. Care, upkeep and surveillance of the project and the common areas and facilities.
2. Collection of assessments from the Owners.
3. Designation and dismissal of the personnel necessary for the maintenance and operation of the project and the common elements and facilities.

ARTICLE VII
Officers

Section A. Positions. The principal officers of the association shall be a President, and a Vice-President/Secretary, and Treasurer, who shall be appointed by and from the Board of Directors.

Section B. Appointments. The officers of the Association shall be appointed annually by the Board of Directors at the organizational meeting of each new Board and shall hold office for one (1) year and until their successors are appointed and qualified.

Section C. Removal. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor appointed at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section D. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section E. Vice-President/Secretary. In the absence of the President or in the event of his death, inability or refusal to

act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such duties as are from time to time assigned to him by the President or Board of Directors. In his position as Secretary the Vice-President shall:

1. Keep the minutes of the proceedings of the Members' Meetings and of the Board of Directors in one or more books provided for that purpose.
2. See that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.
3. Be custodian of the records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized.
4. In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section F. Treasurer. The Treasurer shall:

1. Have charge and custody of and be responsible for all funds, books and accounts of the Association.
2. Have charge and be responsible for the collection of assessments as set forth in Article IX of these By-Laws.
3. In general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

ARTICLE VIII
Fiscal Management

Section A. Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year, except the first fiscal year of the Association shall begin at the date of organization.

Section B. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principals and practices. Within a reasonable time after the close of each fiscal year, the Association shall furnish its members with a statement of the

income and disbursements of the Association for such prior fiscal year.

Section C. Assessments. With respect to each fiscal year, the Board shall estimate the amount required by the Association to meet its expenses for such year, including but not limited to the following items:

1. Management and administration expenses.
2. The estimated cost of repairs, maintenance of the road and common areas.
3. The cost of such utilities as may be furnished by the Association.
4. The amount of such reserves as may be reasonably established by the Board, including general operating reserves, reserves for contingencies and reserves for replacements.
5. Such other expenses of the Association as may be approved by the Board of Directors including operating deficiencies, if any, for prior periods.
6. Within ninety (90) days before the commencement of each fiscal year, the Board shall cause an estimated annual budget to be prepared based on its estimations of annual expenses and membership assessments, and copies of such budget shall be furnished to each member and each member shall be billed for the assessment for his lot. The assessment shall be due and payable thirty (30) days after receipt of the billing.
7. Until the annual budget for a fiscal year is sent to each member by the Board, the member shall continue to pay that amount which had been established on the basis of the previous estimated annual budget.
8. If any member shall fail or refuse to make payment of his proportionate share of the common expenses when due, the amount thereof shall constitute a lien on the interest of such member in the property. The Association and the Board shall have the authority to exercise and enforce any and all rights and remedies provided in this instrument or these By-Laws, or which are otherwise available at law or in equity for the collection of all unpaid assessments.
9. Upon the sale or conveyance of a Lot, all unpaid assessments against a Lot Owner for his pro-rated Assessment as referred to in these By-Laws shall first be paid out of the sales price or by the acquired in preference over any other assessments or charges of

whatever nature except for unpaid taxes or liens payable under mortgage instruments.

Section D. Reserve Fund. The Association shall include in the Assessments such amount as shall accumulate a Reserve Fund which shall equal the annual operating budget. The initial Fund shall be accumulated over the initial three year period. Such Fund shall be maintained in a banking institution by the Treasurer of the Association.

Section E. Initial Assessment. Each initial Lot Owner shall pay an initial Assessment of Two Hundred (\$200.00) Dollars at the time of the purchase of a lot.

ARTICLE IX Parliamentary Rules

Roberts Rules of Order (latest edition) shall govern the conduct of the meetings when not in conflict with the By-Laws and Statutes of South Carolina.

ARTICLE X Dissolution

Section A. In the event of dissolution, the residual assets of this organization will be turned over to the owners of lots in the Subdivision.

Section B. Notwithstanding any other provision of these By-Laws, Association shall not carry on any other activities not permitted to be carried on by the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law.

ARTICLE XI Amendments

These By-Laws may be amended or modified as provided for in the Covenants. The By-Laws affecting the rights or interest of the Developer shall not be amended or modified without the written consent of the Developer. This Article shall not abridge, amend or alter the rights of institutional mortgagees without prior written consent of such institution.