

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.