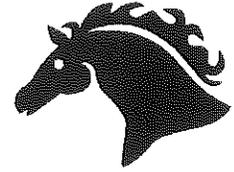


**BYLAWS
OF
DERBY DOWNS PROPERTY OWNERS ASSOCIATION, INC.**

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**BYLAWS
OF
DERBY DOWNS PROPERTY OWNERS ASSOCIATION, INC.**

Article 1. Name and Location

The name of the corporation is DERBY DOWNS PROPERTY OWNERS ASSOCIATION, INC., (the "Association"). The principal office of the Association shall be located at Derby Downs, York, South Carolina with a P.O Box 547, York, South Carolina 29745-9229, or at such other place as the Board of Directors may deem convenient or the affairs of the Association may require, provided that meetings of members and Officers may be held at such place and location in the State of South Carolina as may be agreed upon by the majority of the Board of Directors.

Article 2. Definitions

Section 2.01 "Association" shall mean Derby Downs Property Owners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of South Carolina.

Section 2.02 "Common Area(s)" shall have the same meaning as contained in the Declaration and any and all real property and improvements thereon owned by the Association, or such other property to which the Association may hold title, whether in fee or for a term of years, or the beneficial rights of use and enjoyment for the nonexclusive use, benefit and enjoyment of the members of the Association subject to the provisions of the Declaration and the agreements, if any, between the Association and owners of such property.

Section 2.03 "Declaration" shall mean the Declaration of Covenants and Restrictions applicable to the Properties as recorded in Record Book 2523, Page 173; Record Book 2561, Page I; Record Book 2999, Page 144; Record Book 3170, Page 328; and Record Book 3391, Page 86, in the Office of the Clerk of Courts for York County, South Carolina, as amended, extended or supplemented.

Section 2.04 "Developers" shall mean Homestead Land & Timber Company, a North Carolina corporation, and May Green Properties, LLC, a North Carolina limited liability corporation, their successors and assigns.

Section 2.05 "Majority" (simple majority) vote shall mean more than half of the votes cast.

Section 2.06 "Member" (member of the Association) shall mean every person or entity who is the Owner of record of a fee interest in any Tract in the Derby Downs Subdivision.

Section 2.07 "Officer" shall mean any member of the Board of Directors of the Association.

Section 2.08 "Owner" shall mean the record owner, whether one or more persons or entities, of the fee interest in any Tract, excluding, however, those parties having such interest merely as a security interest for the performance of an obligation.

Section 2.09 "Properties" shall mean any and all of that certain real property now or which may hereafter be made subject to the Declaration as part of the subdivision being developed by Developers in York County, South Carolina, which subdivision is and shall be commonly known as DERBY DOWNS, as more particularly described on EXHIBIT A attached hereto.

Section 2.10 "Tract" for the purposes of these Bylaws shall mean any numbered lot or tract of land shown on the recorded plats of Derby Downs Subdivision as well as the meaning contained in the Declaration.

Article 3. Membership

Section 3.01 Every person or entity who is the Owner of record of a fee interest in any Tract shall be a member of the Association, subject to and bound by the Association's Articles of Incorporation, Bylaws and rules and regulations. The foregoing is not intended to include persons or entities that hold an interest in any Tract merely as security for the performance of an obligation. Ownership of such Tract shall be the sole qualification for membership. When any Tract is owned of record in joint tenancy or tenancy in common or by some other legal entity, the membership as to such Tract(s) shall be joint and the right of such membership pertaining to voting power arising there from shall be exercised only as stipulated in Article 5 herein below.

Section 3.02 No membership or initiation fee shall be charged, nor shall members be required to pay at any time any amount to carry on the business of the Association, except to pay when due the charges, assessments and special assessments levied upon each member's Tract as specified in the Declaration, these Bylaws, or as the members of the Association may from time to time hereafter adopt.

Article 4. Meetings of Members

Section 4.01 The annual meeting of the members shall be held the third (3rd) Saturday of every March hereon, at such place and time notified by the Board of Directors. Special meetings of the members may be called at any time by a majority of the Board of Directors, or upon written request of the members who are entitled to vote one-third (1/3) of the votes of membership of the Association

Section 4.02 Written notice of meetings stating the time and place of meetings and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the person

authorized to call the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mails addressed to the member at his address as it appears on the records of the Association with the postage thereon prepaid.

Section 4.03 The presence in person or by proxy at the meeting of members entitled to vote, consisting of more than fifty percent (50%) of the votes of the membership with a residence in Derby Downs shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. In the event a quorum is not present the meeting may be adjourned to another date and time within the next six (6) months and notice thereof shall be delivered to all members. A majority of the votes entitled to be cast by the members present in person or represented by proxy at such meetings at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members.

Section 4.04 At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary to be registered and counted. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Tract.

Section 4.05 The rules contained in the Standard Code of Parliamentary Procedure by Alice Sturgis, shall govern the Association's businesses in all cases to which they are applicable, and in which they are not inconsistent with this Bylaws.

Article 5. Voting and Voting Rights

The voting rights of the membership shall be appurtenant to the ownership of the Tract and shall otherwise be as set forth in the Declaration.

Section 5.01 The Owner of each Tract shall be entitled to one (1) vote. When two or more persons hold an interest (other than a leasehold or security interest) in any Tract, all such persons shall be members. The vote for such Tract shall be exercised by one of such persons as proxy and nominee for all persons holding an interest in a Tract and in no event shall more than one (1) vote be cast with respect to any Tract, nor shall any vote be fractionalized.

Section 5.02 Any member who is delinquent in the payment of any charges duly levied by the Association, and in consequence, the Association have filed a *CLAIM OF LIEN* in the Court of Common Pleas, County of York, in the State of South Carolina, and encumbered the owners Tract for the amount due, including any additional thereon late fee charges, shall not be entitled to vote until the lien is satisfied.

Section 5.03 Members shall vote in person or by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution or upon conveyance by the member of his Tract. A corporate member's vote shall be cast by the President of the member corporation or by any other officer or proxy appointed by the President or designated by the Board of Directors of such corporation.

Section 5.04 Voting on all matters shall be by voice vote or by shown of hands unless a majority of the members shall, prior to voting on any matter, demand a ballot vote on that particular matter. At all votes by ballot, the President, prior to the commencement of balloting,

will appoint a committee of three members who shall act as "Inspectors of Election" and who shall, at the conclusion of such balloting, certify in writing to the President the results and the certified copy shall be affixed in the minute book to the minutes of that meeting. No Inspector of Election shall be a candidate for office or shall be personally interested in the question voted upon.

Section 5.05 The membership list shall be certified by the Secretary of the Board of Directors as of the date the notice of meeting is sent out, and for those meetings not requiring a notice, thirty (30) days prior to the meeting date. All members contained on the membership list shall be entitled to vote at the meeting whether or not they are owners of Tracts on date of the meeting.

Article 6. Property Rights

Section 6.01 Each member of the Association shall be entitled to the use and enjoyment of the Common Areas subject to the provisions of the Declaration.

Section 6.02 Each member of the Association shall have such an interest in the Association as is represented by the ratio of the number of votes to which said member is entitled to the total number of votes in the Association. Said number may change from time to time as additional property is subjected to the Restrictions of Derby Downs.

Article 7. Maintenance Charges

Section 7.01 By the Declaration each member is deemed to covenant to pay to the Association: (1) Common Area Assessments or other periodic charges and (2) Special Assessments as approved by the members. The Common Area Assessments and Special Assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall, to the extent permitted by law, be a continuing lien upon the property against which each such assessment is made to secure the payment of said assessments due and to become due. Each such assessment, together with such interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person which was the Owner of such property at the time when the assessments fell due and shall not pass to his successors in title unless expressly assumed by them, which assumption shall not, however, relieve Owner of his personal obligation in event of nonpayment.

Section 7.02 The assessments paid to the Association shall be used exclusively for the purpose of establishing and maintaining a fund which will be used to pay for the expense of maintaining the Common Areas and other facilities related to the use and enjoyment thereof. By way of illustration, but without limitation, the fund may be used for doing anything reasonably necessary or desirable in the opinion of the Board of Directors of the Association to keep the Common Areas neat and in good repair and condition; and to provide such other common community services as the members of the Association shall decide are necessary or useful for the benefit, health and welfare of property owners and residents of Derby Downs. The Association may also invest up to fifty percent (50%) of its cash in bank as of the 31st of last December on short term profitable certified deposits or any other non risk marketable securities.

Section 7.03 The annual assessments shall be determined as provided in the Declaration.

Section 7.04 In addition to the assessments authorized above, the Association may levy at any time a special assessment as provided in the Declaration.

Section 7.05 The establishment of annual and special assessments and other matters relating to assessments are set forth in the Declaration and are incorporated herein by reference.

Article 8. Board of Directors

Section 8.01 The business and affairs of this Association shall be managed by a Board of Directors. The Board of Directors shall consist of seven (7) Officers; the President, Vice-President, Secretary, Treasurer and three (3) Executive Officers, and shall be elected by the members of the Association in the annual meeting.

Section 8.02 The size of the Board of Directors may be increased or decreased from time to time upon the affirmative vote of three-fourths (3/4) of all members. The Officers shall be elected by ballot at the annual meeting of the members of the Association. Each Officer shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified. Each such Officer shall serve for a minimum of one year and no longer than five (5) consecutive year's term.

Section 8.03 Nothing herein contained shall be construed to prevent the election of a member of the Board to succeed himself. Any vacancy may be filled at any time by a majority of the remaining Officers, though less than a quorum, but a vacancy created by an increase in the authorized number of Officers of the Board shall be filled only by election at an annual meeting or at a special meeting of members called for that purpose. Any Officer may resign at any time by giving written notice to the President or the Secretary.

Section 8.04 The Officers of the Board shall act only as a Board, and the individual Officers shall have no power as such. A majority of the Officers for the time being in office shall constitute a quorum for the transaction of business, but a majority of those present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice until a quorum be at hand. The act of a majority of Officers present at any time at which there is a quorum shall be the act of the Board of Directors.

Section 8.05 The Board of Directors may, by resolution adopted by a majority thereof, approve short term cash investments and any other non risk marketable securities.

Section 8.06 The Board of Directors may, by resolution adopted by a majority thereof, designate one or more executive committees, each executive committee to include not less than two (2) Officers as members thereof, which executive committees to the extent provided in said resolution, may have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the affairs of the Association. The Board of Directors may designate such other committees which it may deem necessary and advisable in

the efficient operation of the Association. These committees may be appointed by the Board from those members who are not Officers, to serve in such capacity as the Officers may specify.

Section 8.07 The Board of Directors shall meet for the transaction of business at such time and place as may be designated from time to time by resolution of the Board. Regular meetings of the Board may be held without notice. Special meetings of the Board of Directors may be called by the President or by any two (2) members of the Board for any time and place, provided reasonable notice of such meetings shall be given to each member of the Board before the time appointed for such meeting.

Section 8.08 The Board of Directors may from time to time determine the order of business at its meetings. At all meetings of the Board, the President, or in his absence, the Vice-President shall preside.

Section 8.09 The Board of Directors, after the close of the fiscal year, shall submit to the members of the Association a report as to the condition of the Association and its property and shall submit also an account of the financial transactions of the past year.

Section 8.10 Subsequent to their election by members, any Officer may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve until the successor is duly elected.

Section 8.11 No Officer shall receive compensation for any service he may render to the Association, provided, however, that any Officer may be reimbursed for his actual expenses incurred in the performance of his duties.

Article 9. Powers and Duties of the Board of Directors

The Board of Directors shall have the power to:

Section 9.01 Adopt and publish rules and regulations governing the use of the Common Areas and other facilities provided for the common use and benefit of Association members, and to establish penalties for the misuse thereof;

Section 9.02 Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

Section 9.03 Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without any previous notice of any kind;

Section 9.04 Enter into agreements with third parties in order to facilitate efficient operation of the Common Areas. It shall be the primary purpose of such agreements to provide for the administration, maintenance and repair, and operation of the Common Areas. The terms of said agreements shall be as determined by the Board of Directors to be in the best interest of the Association;

Section 10.05 The duties of the Executive Officers are as follows:

- (a) As a member of the Board, shall participate in every meeting called for, with the same rights as any other member.
- (b) Shall perform any other duty assigned by the Board of Directors.

Article 11. Indemnification of Officers

The Association shall indemnify any and all persons who may serve or whom have served at any time as Officers of the Association against any and all expenses, including amounts paid upon judgments, counsel fees and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit or proceeding in which they, or any of them, are made parties, or a party, which may be asserted against them or any of the, by reason of being or having been Officers or an Officer of the Association, except this indemnification shall not operate with respect to an Officer who has been adjudged in any action, suite, or proceeding guilty of willful and intentional misconduct in the performance of his duties to the Association. Provided, however, that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approved such settlement and reimbursement as being in the best interest of the Association. The Association shall likewise indemnify any bonded professional management company for any of the abovementioned expenses, when such expenses are incurred in the course of duties delegated by the Board of Directors.

The provisions hereof shall be in addition to and not exclusive of any and all other rights to which any Officer may otherwise be entitled under any law, bylaw, agreement, and vote of Association members or otherwise. In the event of death of an Officer, the provisions hereof shall extend to his legal heirs, representatives, successors and assigns. The foregoing rights shall be available whether or not such person or persons were in fact Officers at the time of incurring or becoming subject to such expenses, and whether or not the proceeding, claim, suit or action is based on matters which antedate the adoption of this Bylaw.

The invalidity or unenforceability of any provision of this Bylaw shall not affect the validity or enforceability of any other provision hereof.

Article 12. Corporate Seal

A corporate seal shall have engraved thereon the following:

DERBY DOWNS PROPERTY OWNERS ASSOCIATION, INC.
A Nonprofit Corporation
SEAL

South Carolina

It shall remain in the custody of the Secretary and shall be by him affixed to all documents requiring the corporate seal of complete execution. An impression of the corporate seal is directed to be affixed to these Bylaws.

Article 13. Books and Records

The books, records and papers of the Association shall at all times be subject to inspections by any member during reasonable business hours. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member of the principal office of the Association, where copies may be purchased at reasonable cost.

Article 14. Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the thirty- first day of December of every year.

Article 15. Notice

Any notice required to be given by these Bylaws may be waived by the person entitled thereto before or after the time stated therein. Unless otherwise provided, whenever a notice shall be required by these Bylaws, such notice shall be given in writing, and addressed to the person entitled thereto at his address as the same appears on the books of the Association, the time when such notice is mailed being deemed the time of the giving of such notice.

Article 16. Amendments

Section 16.01 These Bylaws may be amended, at a regular or special meeting of the members, by a vote of majority of a quorum of members present in person or by proxy. In the event a quorum is not present, a special meeting for amendments shall be called within the next two (2) months and notice thereof shall be delivered to all members.

Section 16.02 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Article 17. Assets: Purpose

No part of the income of the Association shall inure to the benefit of any Officer or member of the Association; except that funds advanced for the benefit of the Association and goods and services provided to the Association by an Officer or a member, may be paid out of the Association's income, and upon the dissolution of the Association, the assets thereof shall, after all its liabilities and obligations have been discharged or adequate provisions made therefore, be distributed among the current members in proportion of the years paying annual dues.

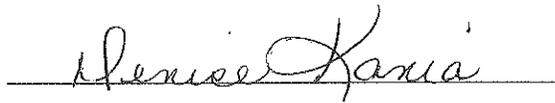
CERTIFICATION

I, Denise Kania, the undersigned, do hereby certify:

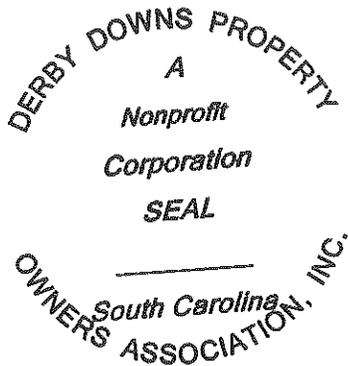
THAT, I am duly elected and acting Secretary of DERBY DOWNS PROPERTY OWNERS ASSOCIATION, INC., a South Carolina Nonprofit Corporation, and

THAT, the foregoing Bylaws constitute a revision of the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 19th day of May, 2008.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed the seal of said Association, this 19th day of May, 2008.



Denise Kania, Secretary



Corporate Seal