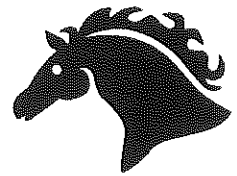
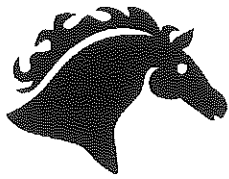


DERBY DOWNS PROPERTY OWNERS ASSOCIATION, INC.

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DECLARATION OF COVENANTS AND RESTRICTIONS FOR DERBY DOWNS

March 17, 2008



DERBY DOWNS PROPERTY
OWNERS ASSOCIATION, INC.

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Prepared by:

Derby Downs Property Owners Association, Inc.
PO Box 547
York, SC 29745-9229

STATE OF SOUTH CAROLINA
COUNTY OF YORK

**DECLARATION OF COVENANTS AND RESTRICTIONS
FOR DERBY DOWNS SUBDIVISION**

March 17, 2008

WITNESSETH:

WHEREAS, A. Alexander Porter, filed an original Declaration of Covenants and Restrictions for Derby Downs in the Record Book 2523, at Page 173, on December 23, 1998, the Derby Downs Property Owners Association, Inc, herein called the "Association" now wishes to amend and restate to this Original Declaration and all its Amended and Restated Declarations of Covenant and Restrictions for Derby Downs. This DECLARATION OF COVENANTS AND RESTRICTIONS FOR DERBY DOWNS is to supersede and replace the original and all Amended and Restated Declarations of Covenant and Restrictions to that original for Derby Downs.

WHEREAS, the Association desires to insure the attractiveness of Derby Downs and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the value and amenities of all properties within Derby Downs and to provide for the maintenance and upkeep of all common areas in Derby Downs. To this end the Association desires to subject the real property described herein, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof: and

WHEREAS, the Association has the powers of owning, maintaining and administering the common area in Derby Downs, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges in order to efficiently preserve, protect and enhance the value and amenities of Derby Downs to insure the residents' enjoyment of specific rights, privileges and easements in the common area, and to provide for the maintenance and upkeep of the common area.

NOW, THEREFORE, in consideration of the premises, the Association hereby declares that all of the property of Derby Downs Subdivision described on:

- Section 1 maps recorded in Plat Book B-50 at pages 9 & 10,
- Section 1 maps recorded in Plat Book B-51 at Page 1,
- Section 2 maps recorded in Plat Book B-188 at Page 5,
- Section 2 maps recorded in Plat Book B-239 at Page 10, and

• Section 3 maps recorded in Plat Book B-298 at Page 9, in the York County Public Registry and that property that hereafter may be made subject to this Declaration of Covenants and Restrictions (hereinafter called the "Restrictions") is and shall be held, transferred, sold, conveyed, occupied and used subject to the restrictions and matters hereinafter set forth, said Restrictions and matters to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title or interest in the described property, or any part thereof, and which shall inure to the benefit of each owner thereof, for and during the time hereinafter specified.

Article 1. Term

These restrictions, rights reservations, limitations, covenants and conditions shall be deemed to be real covenants and shall run with the land and shall be binding upon the owners of all tracts described herein or hereinafter made subject hereto until December 31, 2018 and shall continue for successive periods of ten (10) years thereafter unless amended or terminated as provided below. These restrictions may at any time and from time to time be modified or amended by written instrument signed by the owners of at least a two thirds (2/3) of the tracts subject hereto at the time thereof.

Article 2. Tract Usage

No tract shall be occupied or used except for single-family residential purposes. Only one residence is permitted on any tract.

Article 3. Location of Building

No building shall be constructed nearer than fifteen (15) feet to any side property line or any nearer than fifty (50) feet to neither the front property line, nor any nearer than fifty (50) feet to the rear property line.

Article 4. Sewage System

All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a septic tank sewage system constructed by the tract owner and approved by the appropriate governmental authority unless public sewage becomes available to the tract.

Article 5. Modular Homes

No modular home, mobile home, house trailer, camper (including recreational vehicles), garage, or the basement of a contemplated permanent dwelling shall be occupied as a residence, either on a permanent or temporary basis, except on major disaster emergencies for a period of no more than eighteen (18) months.

The term "modular home" and "mobile home" are defined as follows:

- A. Modular Home. A dwelling unit constructed in accordance with the standards set forth in The South Carolina State Building Code for 1 and 2 family dwellings and composed of components substantially assembled in a manufacturing plant and transported to the building site for final assembly, whether on its own chassis or otherwise. The use of roof trusses or floor trusses on an otherwise conventionally constructed dwelling will not render such dwelling a modular home.

- B. Mobile Home. A dwelling unit that: (i) is not constructed in accordance with the standards set forth in The South Carolina State Building Code, and (ii) is composed of one or more components, each of which was substantially assembled in a manufacturing plant and designed to be transported to the home site on its own chassis.

Article 6. Construction

Section 6.01 Residential Units

Each residential unit shall be constructed using new materials (except that non-structural architectural features and interior construction need not be new materials) and shall contain a minimum of 1,800 square feet of heated, enclosed living area, exclusive of patios, porches, garages and basements (finished or unfinished); provided however, that the minimum square footage shall be increased to 2,200 square feet in the event that the garage is not attached to the first (main entry level) floor. Any dwelling, which contains an attached carport, and no attached garage, must meet the 2,200 square foot minimum requirements stated in the previous sentence. No detached carports are permitted. A carport is defined as an open structure, mostly without walls, that is used for a shelter area. Each two-story dwelling shall contain a minimum of 1,100 square feet of enclosed, heated living area on the first floor; however, this first floor area may be reduced to 800 square feet if the garage is attached to the first floor level. Once construction of a residence has commenced, the exterior thereof, including finished siding material shall be completed within six (6) months thereafter. Prior to the completion of a residence, the Owner shall install at his expense a driveway constructed from concrete, asphalt or gravel.

All exterior construction material for all residential buildings shall be properly painted, stained or veneered with wood, vinyl, brick, stone, manufactured stone, or stucco. If wood or vinyl material is used, it shall consist of individual boards each of which shall be no wider than twelve inches. No exposed concrete block is permitted. Foundations shall be a minimum of 18" high and the material shall be brick or stone. Houses using a stucco exterior finish may use a cinder block foundation with a stucco finish, which effectively conceals the seams in the concrete blocks. All chimneys must be made of brick, stone, manufactured stone, stucco or approved siding material. Roof pitch shall be a minimum of 8:12, except that screened porches, sunrooms and similar ancillary rooms may have a roof pitch of 3:12. All roof shingles shall be architectural.

Section 6.02 Storage Buildings, Workshops, Sheds and Auxiliary Buildings

The primary purpose shall be for storing lawn maintenance equipment, motorized equipment, tools or other miscellaneous items. If wood or vinyl material is used, it shall consist of individual boards each of which shall be no wider than twelve inches or shall give that appearance. If the rim board is more than eight inches above the ground at any point, the building must be put on a concrete slab, concrete block, brick foundation or piers. If a concrete block foundation is used, the blocks must be covered by brick, stone or stucco to conceal the seams. Brick or block piers may be used to support the structure. However, the space between brick piers must be screened as to not be unsightly. Block piers must be screened from view unless the block pier is concealed by stone, brick, or stucco. Buildings shall have a minimum roof pitch of 3:12 and must use architectural shingles. Buildings must be located behind the rear walls of the residence. All buildings must be maintained in a good state of repair. Metal buildings and detached carports of any kind are prohibited.

Section 6.03 Detached Garages

Exterior construction material shall be properly painted, stained or veneered with wood, vinyl, brick, stone, manufactured stone, or stucco. If wood or vinyl material is used, it shall consist of individual boards each of which shall be no wider than twelve inches. No exposed concrete block is permitted. Foundations shall be a minimum of 18" high and the material shall be brick or stone. Garages using a stucco exterior finish may use a concrete block foundation with a stucco finish, which effectively conceals the seams in the concrete blocks. Roof pitch shall be a minimum of 8:12. All roof shingles shall be architectural.

Section 6.04 Barns

A barn shall be defined as a building whose primary purpose shall be to house horses. A barn shall be permitted provided that the building shall be properly painted, stained or veneered with wood, vinyl, brick, stone, manufactured stone, or stucco. If wood or vinyl material is used, it shall consist of individual boards each of which shall be no wider than twelve inches or shall give that appearance. The barn exterior must be maintained so as not to become unsightly. No exposed concrete block is permitted. Foundations, if used, shall be a minimum of eighteen inches high and the material shall be brick, stone, or a concrete block foundation with stucco or manufactured stone finish, which effectively conceals the seams in the concrete blocks. Barns shall have a minimum roof pitch of 6:12 or higher and may have a metal (or tin) roof or use architectural or 3 ply shingles or standard asphalt shingles. No barn or similar enclosed structure for horses shall be located closer than fifty (50) feet to any side or rear property line nor closer than one hundred fifty (150) feet to the front property line.

Article 7. Incomplete Structures

Any partially completed structures or improvements for which construction activity has ceased for ninety (90) consecutive days, and the debris or remains of any structure damaged by wind, fire or other causes, shall constitute a nuisance and may be removed by the Association if the owner of the tract fails to abate such a nuisance within thirty (30) days after written notice thereof is given. All costs expended by the Association shall be paid by the owner upon receipt of a statement and shall constitute a lien upon the tract until paid in full together with interest thereon at the rate of ten percent (10%) per annum, calculated on a monthly basis.

Article 8. Walls and Fences

No walls or fences shall be permitted between the front wall of a dwelling and the street it faces, except (a) split rail fences and (b) board fences (wood, vinyl or aluminum) with a minimum of three 1" by 6" horizontal boards, not higher than five (5) feet and painted or stained (commonly referred to as horse fencing). A wire mesh fence may be used behind a split rail or board fence, but may not be higher than the highest horizontal rail board on the fence. Walls or fences constructed on the remainder of the property shall not be higher than six (6) feet and shall be constructed of wood, chain link (covered with colored vinyl), aluminum, brick, stone, concrete block with a stucco finish. Approved fence styles include privacy, picket, split rail, post and rail and shadowbox. Electrical wire or wire mesh horse fencing may be used but cannot border any road within the subdivision unless screened by a split rail or board fence. If electrical wiring is used, it must be set back 15 feet from the equestrian easement. A warning sign shall be posted on such electric fencing not less than every 100 feet or if bordering the equestrian easement, a warning sign shall be posted every 50 feet. All fencing shall be well maintained.

Article 9. Mailboxes

All mailboxes and newspaper receptacles shall be uniform in size, style, material and color and shall conform to the specifications therefore provided by the Association. Each Owner shall be responsible for the cost of acquiring and installing the mailbox and newspaper receptacle.

Article 10. Animals

Horses may be kept on any tract subject to the conditions that (a) the horses are used for recreational purposes only and (b) the number of horses shall be limited to one (1) horse for each two (2) acres. This restriction (10b) will not apply to foals until they are weaned or reach the age of 9 months. No horses shall be kept on any unoccupied tract, unless the owner of the unoccupied tract resides on any adjoining tract. Livestock or poultry of any kind, except the usual household pets, are not permitted on any tract. Any common household pets may be kept but must not become a nuisance to the neighborhood as a result of the number of animals, the noise created, trespassing onto other tracts, odor or any other factor deemed to be a nuisance. No animals shall be kept for commercial purposes in the subdivision. All animals must be housed and contained. Housing and containment must be maintained and must not be considered unsightly to neighbors. All pets must be on leashes while in the common area.

Article 11. Vehicles

No inoperable, stripped, partially wrecked, junk motor vehicle or part thereof shall be permitted to be parked or kept on any street or tract. Any recreational vehicle, boat, trailer, horse trailer or camper trailer must be stored behind the rear of the dwelling and must be screened so that it cannot be viewed from nearby tracts or the street. Acceptable screening materials include fences.

Article 12. Large Equipment

No tractor-trailer rigs (as a unit or the individual components thereof), or buses shall be parked or stored on any tract, except in the normal course of making deliveries or providing services to the tract. Heavy equipment (such as bulldozers, backhoes, etc.), must be stored in an appropriate garage or storage building as defined per section 6.02 & 6.03, so that it cannot be viewed from nearby tracts or the street.

Article 13. Activities

No noxious, offensive or illegal activities shall be conducted or permitted on any tract or common area, nor shall anything be done on any tract or common area that shall be or become an unreasonable annoyance or nuisance to the neighborhood. No hunting shall be permitted on any property covered by these restrictions.

Article 14. Drilling, Mining

No oil or natural gas drilling, refining, quarrying, mining, or timbering operations of any kind shall be permitted upon or in any tract and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any tract.

Article 15. Trash, Debris, Construction Material Disposal

All tracts, whether improved or unimproved, shall be kept free of dead trees or limbs, which are a danger to abutting property or roads. Weeds, trash, debris and rubbish shall be disposed of in such a manner as to prevent the same from becoming unsightly, unsanitary or a hazard to the health or safety of other residents. In the event the owner, or his contractor or agent, fails to comply with the terms of this provision, the Association shall have the right (but not the obligation) to enter upon such tract after

the owner has been notified in writing of the violation and no curative action has been taken within thirty (30) days after such notice, or the curative action has started but has not been pursued diligently, in order to effect compliance with this provision. All expenses incurred by the Association shall be paid by the owner of the tract immediately upon receipt of a statement. The Association may require the use of trash containers during any construction activity on a tract in order to maintain a clean and sightly condition during the construction period. Construction materials and debris may not be burned, buried or disposed of on any tract. Trees, limbs, and other debris which occur naturally on a tract may be burned or buried within the tract (subject to all governmental regulations) provided that the person burying such debris shall record a map of the tract showing the location of such bury site.

Article 16. Pools, Satellite Dishes, Clotheslines

Any satellite reception disk or device larger than 36" in diameter, above-ground swimming pool or outdoor clothes lines shall be screened from view by adjoining tracts and the street by means of landscaping or attractive screening material. All swimming pools and clothes lines must be located behind the rear of the dwelling. Wading or inflatable pools temporarily used during warm weather must be collapsed and stored during winter months. Swimming pools must comply with ordinances, restrictions and regulations of York County, the State of South Carolina and its various agencies.

Article 17. Tract Joining, Division

Tracts may be joined through the recording of a revised plat map. Only combined tracts may be subdivided back to the original size lots as stated by Declarant.

Article 18. Road Right of Way

The Association reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these Restrictions, a twenty (20) foot strip along the margin of each road right of way and a ten (10) foot strip along each other property line for the purpose of constructing, installing, maintaining, repairing and operating utility lines, poles, mains and facilities, and water drainage.

All improvements constructed in the road right of way must meet applicable governmental standards. The Association will notify the owner of any violation in this matter, and the owner will have five (5) days to correct the violations. If the owner fails to correct the violations, the Association shall have the right, but not the obligation, to remove, replace or repair any improvement placed in a road right of way owned by the Association or governmental authority which does not meet applicable governmental standards. Any associated cost or loss of value shall be the responsibility of the owner.

Article 19. Easement for Access, Ingress and Egress

There is reserved an easement for access, ingress and egress in favor of owners of tracts in Derby Downs and in favor of their invitees, over and across the streets shown on the Plat entitled "Derby Downs" and duly recorded in the county office for York County. Any damage (include tracking mud, pouring concrete or depositing debris) to a street shown on the Plat or to the ditches or shoulders of the street, or to the flow of drainage water along the said street, caused by driveway connections or traffic to and from the property owner's tract, shall be repaired at the expense of the owner connecting such driveway. Each property owner is held fully responsible for the acts of his agents, contractors, and subcontractors. Each property owner at his expense shall take such precautionary and/or preventative measures, including, but not limited to, the use of grassing, siltation fences, matting and rip-rap, as may be necessary to stop erosion or sedimentation from such owner's tract into waterways, or adjoining roads or property.

Article 20. Signage

Only one sign no larger than four (4) square feet is permitted on any tract with an occupied residence, bearing the name or names of a property owner or property address and which is placed within twenty (20) feet of a driveway entrance. One small sign such as is used in the ordinary course of effecting residential sales transactions may be placed by real estate agents or by owners to advertise a tract for sale, within twenty (20) feet of a driveway entrance. Signage, not larger than four (4) square feet, related to notice of security systems or animal warnings may be used as well.

Article 21. Driveways

All driveway pipe installed in ditches which are in the road right of way shall be constructed of reinforced concrete pipe with a diameter that meets applicable governmental standards (in no case less than 15" in diameter).

Article 22. Bury Sites

No building, including a house, outbuilding or other similar structure, shall be located, constructed or placed on any tract within ten (10) feet of the boundary of a debris disposal area (sometimes referred to as "bury sites" or "bury pits") as such areas are delineated or noted on the recorded plat of the subdivision.

Article 23. Ponds, Dams, Spillways

With respect to Tracts 17, 18, 19, 37 and 38; there is a pond situated on a portion of each of these tracts, and there may be constructed a dam and spillway. The pond, the dam, the spillway, and all appurtenances thereto, are a part of the Common Areas, but only for the purpose of providing surface water drainage facilities. Accordingly, all maintenance and repair of the pond necessary for it to function properly as a part of the surface water drainage system, such as (a) structural maintenance and repair to the drainage channel, dam, drain pipe or spillway, (b) sedimentation caused by the drainage system, and (c) compliance with governmental regulations for storm water drainage, shall be a Common Areas expense. Except for its use as a surface water drainage facility, the pond and its appurtenances shall be for the use and benefit of the owners of Tracts 17, 18, 19, 37, and 38, and their respective heirs and assigns.

The following rules and regulations are applicable to the owners of Tracts 17, 18, 19, 37, and 38, but are subject to the use of the facilities for surface water drainage:

- i. Swimming is prohibited in the pond.
- ii. The property owners abutting the pond shall have the joint obligation with respect to the repair and maintenance of the pond, dam, and spillway, but only to the extent that such maintenance and repair is not a Common Areas expense as described and defined above. Examples of maintenance and repairs to be performed by the adjoining property owners include mowing and maintaining the banks of the pond adjoining their tracts, removal of unwanted vegetation from the pond and appurtenances, and maintaining the aesthetic quality of the pond. Such owners shall also have the duties and responsibilities with regard to any decisions affecting the water level of the pond, the construction of docks or piers, and any and all other decisions relating to items under their control. Decisions shall be made by a seventy-five percent (75%) majority vote of all the tract owners identified herein and in the Restrictions which abut this pond, with each tract owners having one (1) vote. Any decisions approved by a seventy-five percent

(75%) majority of the tract owners shall be binding on all tract owners with respect to these matters.

- iii. Each owner of a tract abutting the pond shall take such precautionary and preventive measures as may be necessary to insure that no erosion or sedimentation into the pond occurs as a consequence of construction or other land disturbing activities conducted on such tract.
- iv. No gasoline, steam, or diesel-powered crafts shall be permitted on the pond. Only watercraft powered by wind, hand, foot pedal, or electric motors shall be permitted on the pond. No tract shall be used to provide access to the lake for any gasoline, steam, or diesel-powered craft.
- v. With respect to any decisions made in accordance with the preceding paragraphs, any cost or expenditure authorized or approved by the requisite seventy-five percent (75%) majority vote shall be apportioned equally to each of the property owners based upon the number of tracts abutting the pond.
- vi. Each of the property owners abutting the pond shall have an easement to exercise the full rights to use the pond for fishing, boating and recreational purposes, and shall have all riparian rights provided by law, as to the full extent of the geographical boundaries of the pond, except other wise limited herein.
- vii. None of the abutting property owners shall permit or allow any activity on the pond which would constitute a nuisance or which would interfere with the peaceful enjoyment by the other property owners abutting the pond.

Article 24. Equestrian Easement & Common Areas

Section 24.01 The equestrian/pedestrian easement uses shall be limited to the property owners and their invited guests. Horseback riding and pedestrian walking and bicycle riding shall be permitted within the easement area. No motorized vehicles of any type shall be permitted within the easement area, except those used for the maintenance of the easement area. All pedestrian and equestrian users of the easement area shall do so as it is and at their own risk, and shall be obligated to indemnify and hold the Association harmless from any loss, damage or liability that may incur from the use by owners and their invitees of the easement area. Neither the property owner nor the Association shall be held liable for any loss, injury or damage to person or property arising out of the condition of or occurring within the equestrian easements.

Section 24.02 The "Common Areas" as used in these restrictions shall include (a) one or more signs identifying Derby Downs; (b) any landscaping or lighting associated with the Common Areas; (c) any other land, improvement, facility or amenity which the Association may construct on property subject to these restrictions or identified on a recorded plat map as "Common Areas"; (d) street lights, and (e) any and all areas designated as an "equestrian easement" on any subdivision plat recorded for Derby Downs.

Article 25. Voting Rights

Section 25.01 The Association, formed and organized under the laws of the state of South Carolina, shall have the right to enforce the restrictions and conditions contained in this Declaration and the assessment provided in Article 26 below.

Section 25.02 Each property owner shall automatically become a member of the Association with full voting rights.

Section 25.03 The owner of each tract shall be entitled to cast one vote (which may not be fractionalized) with respect to any matter brought before the members of the Association for action. Owners of more than one tract shall be entitled to cast one vote for each tract owned; any subsequent combination of lots pursuant to Article 26 will reduce the number of votes to equal the number of assessments payable after the combination.

Section 25.04 Any member who is delinquent in the payment of any charges duly levied by the Association as defined in Section 26.03, and in consequence, the Association has 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, shall not be entitled to vote with respect to any matter brought before the members of the Association for action, until the lien is satisfied, including any additional thereon late fee charges.

Article 26. Assessment Obligation

Section 26.01 Except as otherwise specifically provided, the owner of each tract by acceptance of a deed therefore by virtue of such ownership shall become a member of the Association and each owner of a tract is deemed to covenant and agree to, and shall pay to the Association, an annual assessment to pay for the cost of maintaining and repairing the Common Areas, as hereinafter defined, within the Derby Downs Subdivision. Each owner of a tract subject to this assessment obligation, including owners of tracts in subsequent sections or phases of Derby Downs who are subject to these restrictions by amendment or supplemental filings, shall pay the same annual and special assessment amount, irrespective of the size of the tract, the location of such tract or any other factor. The property owners shall have the right to promulgate rules and regulations concerning the use of the Common Areas. Each person acquiring title to a tract binds himself, his heirs, and assigns to be members of the Association and binds and obligates himself, his heirs, and assigns to pay the assessment to the Association once levied by the Association. The combination of two or more tracts by a single owner through the recording of a revised plat map shall reduce the number of assessments for the combined tracts to the number of tracts shown on the revised plat maps. The assessments and charges created herein shall constitute a continuing lien upon each tract and, if not paid within thirty (30) days after the due date thereof, shall bear interest at the rate of ten percent (10%) per annum until paid, calculated on a monthly basis. The lien may be enforced as by law allowed. The lien created herein is specifically subordinated to the lien of any valid first mortgage upon any tract in the subdivision. When action is required to collect any assessment obligation, attorneys' fees and costs of collection shall be added to the amount of the assessment lien. All members of the Board of Directors of the Association shall be property owners and shall set all fees for maintenance.

Section 26.02 Levied assessment may be paid in up to four (4) equal consecutive monthly installments, beginning at the due date of the assessment. The balance due will bear interest as late fee charges of ten percent (10%) per annum calculated on a monthly basis, to be paid the next month after the satisfaction of the fourth (4th) installment upon receive of a statement.

Section 26.03 Any levied assessment with more than one hundred eighty (180) days in default of payment, shall be considered an assessment in delinquency and shall be referred for legal action.

Article 27. Enforcement, Liens and Litigation

If any person shall violate or attempt to violate any of the covenants herein set forth, it shall be lawful for the Association or for any other person or persons owning or having an interest in any portion of said subdivision to institute and prosecute any proceeding in law or equity against such person or persons to restrain such violation or to recover damages or other compensation for such violations, or both. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 27.01 Formal Violation Notification

- (i) The Secretary of the Association, or his/her designee, shall send a certified written notification to the property owner or person describing the violations, and the owner or person will have five (5) days to correct said violation.

Section 27.02 Violation Resolution Appeal

- (i) The property owner or person in violation of the Covenants and Restrictions herein set forth shall have the right to appeal in writing, any violation found by the Board of Directors within the next thirty (30) days of the certified violation. If the Violation Resolution is not appealed within the stated period, it shall become the Final Violation Resolution for all its purposes.
- (ii) Within the next sixty (60) days after the appeal, the Board of Directors shall grant him an administrative hearing at the time, date and place to be notified in fifteen (15) but not more than thirty (30) days in advance before the hearing takes place. At the hearing, the property owners or person in violation, or his authorized representative duly and previously informed to the Board of Directors with at least fifteen (15) days in advance as well, shall present all the proof, witnesses and any other document, to support his actions or none taken actions. Any interested party may record this hearing.
- (iii) Thirty (30) days after the hearing, the Board of Directors shall notify a certified Final Violation Resolution.

Section 27.03 Final Violation Resolution

All Violation Resolution not appealed within the next ten (10) days of the certified notification, shall become a Final Violation Resolution for all its purposes and the Association shall enforce by any proceedings at law or equity all the conditions of the covenants and restrictions until the violation is satisfied or no longer exist.

All costs incurred and levied by the Association in the enforcement of the terms and conditions hereof, including court costs, fines, costs of correcting deficiencies, and reasonable attorneys' fees in the enforcement hereof, shall be paid by property owners in violation, and shall constitute a personal obligation and a continuing lien upon the Tract of the owners until paid in full together with interest thereon at the rate of ten percent (10%) per annum, calculated on a monthly basis. The lien created herein is specifically subordinated to the lien of any valid first mortgage upon any tract in the subdivision. The lien may be enforced as by law allowed. The obligation imposed by this paragraph shall exist whether or not the Tract is sold and shall not pass to his successors in title unless expressly assumed by them, which assumption shall not, however, relieve the owners of his personal obligation

in event of nonpayment. At their own expense, property owners in violation shall have the right to appeal the final resolution in the Court of the County of York, South Carolina.

Section 27.04 Lien Filing Term

The Association shall start the filing proceedings in the Court of the County of York, South Carolina, for all liens not paid immediately after the 30th day of the Final Violation Resolution.

Article 28. County & State Ordinances

Zoning ordinances, restrictions and regulations of York County, the State of South Carolina and its various agencies applicable to the subject property shall be observed. In the event of any conflict between any provisions of these restrictions and such ordinances, restrictions or regulations, the more restrictive shall apply. The invalidation or unenforceability of any provision of these covenants by judgments or other order of any court shall in no way affect any of the other provisions, and such other provisions and covenants shall remain in full force and effect.

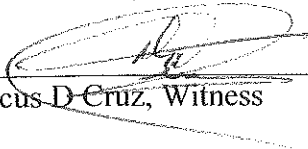
IN WITNESS WHEREOF, the ASSOCIATION, represented by its President, Lawrence T. Mullis and its acting Secretary, Denise Kania, has caused this Declaration to be signed this 19th day of May, 2008.



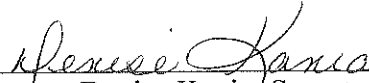
Scott Prater, Witness



Lawrence T. Mullis, President



Marcus D. Cruz, Witness



Denise Kania, Secretary

STATE OF SOUTH CAROLINA *


*

COUNTY OF YORK *

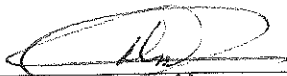
*

PERSONALLY appeared before me the undersigned witness and made oath that he was present and saw the within named Lawrence T. Mullis and Denise Kania, sign as their act and deed, deliver the within written document for the uses and purposes therein mentioned, and that he, with the other witness subscribed above, witnessed the execution thereof.

SWORN to before me, this 19th day of May, 2008.

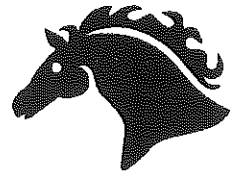
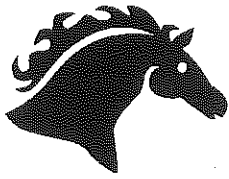


Scott Prater, Witness



Marcus D. Cruz, Notary Public of South Carolina

My commission expires: 11/27/2017



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

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

March 17, 2008