

BYLAWS OF PONY EXPRESS PROPERTY OWNERS ASSOCIATION, INC.

BYLAW ONE
OFFICES

The initial principal office of the Association shall be located at 263 Boyd Pond Road, Beech Island, South Carolina 29842.

BYLAW TWO
PURPOSES AND OBJECTS

In amplification of the purposes for which the Association has been formed, the purposes and objectives are as follows:

- (a) To develop a community designed for safe, healthful, harmonious living.
- (b) To promote the collective and individual property and civic interests and rights of all persons, firms and corporations owning property in the subdivision known as Pony Express (hereinafter "Pony Express").
- (c) To care for the improvements and maintenance of the common areas, riding trails, gateways, public easements, parkways, grass plots, parking areas and any facilities of any kind dedicated to community use and other open spaces and ornamental features of the above-described subdivision known as Pony Express, which now exist or which may hereafter be installed or constructed in such subdivision.
- (d) To assist the owners in maintaining in good condition and order all vacant and unimproved lots or tracts of land, now existing or that hereafter shall exist in the subdivision by requiring that all vacant lots be kept mowed which will further assist the owners of such lots or tracts of land in preventing them from becoming a nuisance and detriment to the beauty of the subdivision and to the value of the improved property therein, and to take any action with reference to such vacant and unimproved lots or tracts of land as may be necessary or desirable to keep them from becoming such nuisance and detriment.
- (e) To aid and cooperate with the members of the Association and all property owners in the Pony Express in the enforcement of such conditions, covenants and restrictions on and appurtenant to their property as are now in existence, as well as any other conditions, covenants and restrictions as shall hereafter be approved by a majority vote of the members of the Association.
- (f) In general, but in connection with the foregoing, to do any and all things necessary to promote the general welfare of the residents and owners of any portions of Pony Express and their property interest in Pony Express.
- (g) To acquire, own, or lease such real and personal property as may be necessary or convenient for the transaction of its business and the fulfillment of its purposes, and to

exercise all rights, powers and privileges of ownership to the same extent as natural persons might or could do.

(h) To arrange social and recreational functions for its members.

(i) To establish, promulgate and enforce rules and regulations governing the use of the amenities within Pony Express.

(j) To exercise any and all powers that may be delegated to it from time to time by the owners of real property in the subdivision.

(k) This Association shall not engage in political activity or pursue political purposes of any kind or character.

BYLAW THREE MEMBERS

(a) Members of the Association shall consist of one class who shall have the rights, voting privileges and duties as set forth as hereinafter set forth, to-wit: Each owner of any lot within Pony Express shall be a member of the Association. Each lot shall be entitled to one vote.

(b) Every beneficial owner, as distinguished from an owner of a security interest, of a residential lot within Pony Express, shall be a member.

(c) Membership shall include an undertaking by the applicant to comply with and be bound by these Bylaws and the policies, rules and regulations at any time adopted by the Association in accordance with these Bylaws.

(d) Membership in the Association shall terminate on such member's ceasing to be a beneficial owner of a lot within Pony Express.

(e) At membership meetings, all votes shall be cast in person or by proxy registered with the Secretary.

BYLAW FOUR MEETINGS OF MEMBERS

(a) Annual Meeting: An annual meeting of the members for the purposes of hearing reports from all officers and standing committees and for electing directors shall be held in the County of Aiken, State of South Carolina each year. The time and place shall be fixed by the directors. Notwithstanding anything to the contrary, until all lots within Pony Express have been sold, D&M Partners, LLC, will retain exclusive powers to appoint and remove directors and officers of the Association. Notwithstanding the foregoing, D&M Partners, LLC may voluntarily surrender the right to appoint and remove directors and

officers of the Association before all lots within Pony Express are sold by providing notice to that effect to all Members of the Association.

(b) Regular Meetings: In addition to the annual meetings, regular meetings of the members shall be held at such time and place as shall be determined by the Board of Directors.

(c) Special Meetings: A special meeting of the members may be called by the Board of Directors. A special meeting of the members must be called within five (5) days by the President or the Board of Directors, if requested by not less than twenty-five percent (25%) of the members having voting rights.

(d) Notice of Meetings: Written notice stating the place, day, time and hour of any meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting, not less than five (5) days before the date of such meeting.

(e) Quorum: The members holding fifty percent (50%) of the votes that may be cast at any meeting shall constitute a quorum at any meeting of the members. In the absence of a quorum, a majority of the members present may adjourn the meeting from time to time without further notice.

(f) Proxies: At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after twelve (12) months from the date of its execution, unless otherwise provided in the proxy.

(g) Voting by Mail: When officers or directors are to be elected by members, or when there is an act requiring a vote of the members, such election or vote on such proposed action may be conducted by mail in such manner as the board of directors shall determine.

BYLAW FIVE BOARD OF DIRECTORS

(a) General Powers: The affairs of the Association shall be managed by the Board of Directors, subject to instructions of the members of the Association at a regular meeting or subject to the approval of the membership as expressed by a vote of the membership.

(b) Number, Tenure and Qualification: The initial Board of Directors shall be comprised of at least one (1) and not more than three (3) directors. Upon D&M Partners, LLC surrendering the right to appoint and remove directors and officers of the Association, the number of directors shall be no less than three (3). Each director shall be a member of the Association and shall hold office until two (2) annual meetings of the members following his or her original qualification shall have been held and until his or her successor shall have been elected and qualified. Exceptions to the provision for two-year tenure shall be in the case of a director's first taking office following the organizational meeting of the Association. Of the first three (3) directors, two (2) shall hold office until the second subsequent annual meeting and one (1) shall hold office until the third subsequent annual

meeting. The determination of the respective terms shall be by lot. Any increase in the number of directors shall be in units of two (2) and their initial terms shall be one for one (1) year and the other for two (2) years, with the determination to be by lot.

(c) Regular Meetings: The Board of Directors shall meet regularly at least once every twelve (12) months, at a time and place it shall select.

(d) Special Meetings: A special meeting of the Board of Directors may be called by or at the request of the President or a simple majority of the directors.

(e) Notices: Notice of any special meeting of the Board of Directors shall be given at least five (5) days prior to such meeting, by written notice delivered personally, sent by telephone facsimile, provided confirmation of receipt is obtained, or sent by mail to each director. Any director may waive notice of any meeting.

(f) Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board, but if less than a majority of the directors are present at such meeting, a majority of the directors present may adjourn the meeting from time to time and without further notice.

(g) Manner of Acting: The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

(h) Vacancies: Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of the increase in the number of directors shall be filled by election by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

BYLAW SIX OFFICERS

(a) Officers: The officers of the Association shall be a President, Secretary and a Treasurer.

(b) Qualification and Methods of Election: The officers shall be members of the Board of Directors, shall be elected by the Board of Directors and shall serve for a term of one (1) year. One person can serve as President, Secretary and Treasurer due to the fact that the Association's budget and activities will be limited.

(c) President: The President shall preside at all meetings of the Association and of the Board of Directors at which he or she is present, shall exercise general supervision of the affairs and activities of the Association and shall serve as a member ex officio of all standing committees.

(d) Secretary: The Secretary shall keep the minutes of all the meetings of the Association and the Board of Directors, which shall be an accurate and official record of all business transacted. The Secretary shall be the custodian of all Association records.

(e) Treasurer: The Treasurer shall receive all Association funds, keep them in a bank or other savings institution approved by the Board of Directors and pay out funds only on notice signed by the Treasurer and by one other officer. The Treasurer shall be a member ex officio of the finance committee, if one is so created.

(f) Vacancies: A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by any member of the Board of Directors for the unexpired portion of the term.

BYLAW SEVEN FEES, DUES AND ASSESSMENTS

(a) Admission Without Fee: Record ownership of a residential building lot, without the necessity for paying a membership fee, shall establish the owner as a member of the Association.

(b) Annual Dues: Annual dues shall be assessed each year against each Lot within Pony Express which has been sold by D&M Partners, LLC. The annual dues may be increased no more than ten percent (10%) per year by the Board. Any increase of more than ten percent (10%) in a single year shall require the approval of a simple majority of the Member.

(d) Payment of Dues: The annual dues shall be payable annually in advance.

(e) Special Assessments: Special assessments for major capital improvements (as defined in the Covenants) shall require the approval of seventy-five percent (75%) of the Members of the Association.

(f) Default in Payment of Dues or Assessments:

(1) When any member shall be in default in the payment of dues or assessments for a period of thirty (30) days from the date on which such dues or assessments become payable, he or she shall, for purposes of voting, not be considered as a member in good standing. In addition, such member shall be dropped from active membership and be placed on an inactive list. Such member shall not be reinstated until he or she has paid dues and assessments in full, and until such time as such member is reinstated, he or she shall have not rights of any kind arising out of a membership in the Association.

(2) In addition to the foregoing, if any member fails to pay his or her assessments as they become due, on the failure of payment of the assessments after thirty (30) days written notice of such delinquency given by the Association to such member, the

amount of the assessment shall become a lien on such member's lot in the subdivision, in favor of the Association and the Association shall have the right to proceed on such claim in accordance with the provisions of The Code of Laws of South Carolina for the foreclosure and enforcement of liens or to commence an action against such member for the collection of the assessments in any court of competent jurisdiction.

(g) Assignment of Dues: In the event any member whose dues are paid shall, during the year in which such dues are paid, terminate his or her membership by sale of his or her lot in the subdivision, he or she shall be entitled to assign to the buyer of such lot the benefit of the paid dues.

BYLAW EIGHT FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

BYLAW NINE AMENDMENTS

Any proposed amendment to the Bylaws must be submitted in writing at any meeting of the members of the Association. Such proposed amendment shall be discussed at the meeting of the members following the meeting at which the proposed amendment was submitted and shall be voted on by the members of the Association at a date that shall not be earlier than the second meeting following the initial submission of the proposed amendment. Such proposed amendment must be signed by three (3) members of the Association, shall be read to the meeting by the Secretary and shall be printed on ballots distributed to all members by mail. A proposed amendment shall become effective when approved by at least a simple majority of the members entitled to vote. In addition, any amendment to the Bylaws proposed during such period of time as D&M Partners, LLC has the right to appoint the members of the Board of Directors shall also require the consent of D&M Partners, LLC to be effective.

BYLAW TEN CONFLICT WITH PROTECTIVE COVENANTS

In the event that any provision of the within Bylaws are in conflict with the Declaration of Protective Covenants for Pony Express, then and in any event, the Covenants shall take precedence and be determinative of any ambiguity.

IN WITNESS WHEREOF, Pony Express Property Owners' Association, Inc. has caused these presents to be signed, sealed and delivered as of the ____ day of _____, 20____.

Signed, sealed and delivered

PONY EXPRESS PROPERTY OWNERS ASSOCIATION, INC.

In the presence of:

By:

Name:

Title:

[CORPORATE SEAL]

Witness

Notary Public

STATE OF _____)

COUNTY OF _____)

ACKNOWLEDGEMENT

I, the undersigned notary, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of Pony Express Property Owners Association, Inc.

Witness my hand and official seal this the ____ day of _____, 20____.

Notary Public for the State of _____

My Commission Expires:

[NOTARY SEAL]