

Residents of Terra Pines,

I am a resident of Terra Pines and have received a copy of the proposed Bylaws for the Terra Pines Homeowners Association (“Terra Pines”). A few members of the neighborhood stated that the Bylaws will be “voted on” during a meeting on **June 29, 2021, 6 P.M.** The location of this meeting is at **St. Giles Church located at 1021 Hudson Road, Greenville, SC 29615.**

The current covenants that are on file with Greenville County for the Terra Pines Subdivision do not give any authority to a Homeowners Association (HOA). In other words, the Greenville County Government currently **DO NOT** recognize the authority of any HOA in Terra Pines.

The HOA intends to file these Bylaws with Greenville County if this vote passes on June 29th, making the Bylaws permanent. The HOA’s intention is to revise the covenants to give the HOA more authority over the subdivision. This is clear from previous HOA meeting discussions. If you are interested, please request a copy of the meeting minutes and agenda from the HOA committee to know more. A copy of the proposed HOA Bylaws is included for your reference. I would assume any covenants revision made after the Bylaws are passed would potentially only expand on the restrictions in our subdivision.

The process by which the Bylaws would be adopted is also concerning. The only place I have found notice of the voting of the Bylaws was on the Terra Pines private Facebook page. There are 108 homes in the Terra Pines subdivision, but only 59 individual Facebook group members. That leaves many of the Terra Pines homeowners in the dark about what is happening. Furthermore, the Bylaws were not posted until June 21, 2021.

I am not accusing the HOA of acting in bad faith. However, considering the consolidation of power the HOA is seeking and the limited time frame to review and vote on these Bylaws, it is easy to assume that the HOA is attempting to pass these Bylaws in the dark of the night. This is especially concerning because as of now HOA membership and payment of HOA dues are voluntary. We residents may not think this meeting applies to us, but it does and it is important to be present for this upcoming meeting to share our opinions and feedback of having a HOA set up and bylaws passed. **If the HOA is set up, our HOA dues will increase exponentially and could be made mandatory in the future. I.e. instead of \$50 voluntary annual fees, it could possibly be \$1200 or higher and mandatory!!!**

I would urge every resident of Terra Pines to reject these Bylaws and refuse the establishment of a HOA committee. I have listed some general pros/cons of having

a HOA, but I strongly believe that the cons outweigh the pros. This HOA bylaws is unnecessary, overreaching, and a complete waste of everyone's time and money.

In closing, I believe Terra Pines is a very nice neighborhood as it is. Any visitors that come to our home often compliment the neighborhood they have passed through to reach our home. Terra Pines homeowners are already doing an excellent job of maintaining their properties and lawns. We are all working together to protect the resale value of the homes in the Terra Pines Subdivision. We all do this because we are responsible adults with pride of ownership. This neighborhood is beautiful as it is. I strongly feel that a HOA is unnecessary to help us maintain our lawn or home. That is why I am sending this letter to all homeowners in the community.

I encourage all residents of Terra Pines to show up to the meeting on June 29th if you share my concerns. Thank you.

Pros/Cons of HOA Community:

Pro #1: Amenities/ Landscaping/Hardscaping Maintenance

By paying HOA dues, you will have access to the amenities in the neighborhood. (but what amenities??) The HOA will maintain the landscape or hardscaping of common areas.

Pro #2: A HOA manages utilities

HOA uses the dues to pay for utilities and city services such as sewer, trash, and recycling. (but we currently pay for our own utilities. I don't think the HOA plans on covering these cost)

Pro #3: A HOA handles disputes between neighbors

One advantage of having a HOA is mediating disputes between neighbors. So, for instance, the HOA will contact a neighbor about a noisy dog or loud party, not you.

Con #1: Cost of HOA Fees

HOAs cost money. They cost money to belong to and they cost money to run. Our beautiful parks don't magically maintain themselves, unfortunately. The cost to belong to an HOA can be prohibitive. And most monthly dues are about \$100-\$300. Potential home buyers are often put off by the amount of HOA dues they have to pay in addition to the price of the mortgage. **This can decrease the resale value of your house because the total monthly cost of owning a home may be unaffordable for some buyers.** And the HOA has the power to determine and increase the monthly dues.

Con#2: Restrictive Rules/ Risk of Lien or Foreclosure

HOA fees are a cost in addition to your mortgage, property tax, and homeowners' insurance. You're required to pay these fees, even if you don't use all the amenities.

If you run foul of a particular HOA rule, you will be required to pay a fine. **If you can't or don't pay these fines or regular HOA fees, you run the risk of the HOA placing a lien on your property or losing your home to foreclosure.**

Here are some common violations and restrictions that will require a fine:

- A trash can in view of the public or a neighbor
- "Unkempt conditions" such as mildew or peeling paint on a home or mailbox
- Having a pet off its leash or not picking up after a pet
- Leaving sports equipment out after certain hours
- A dirty driveway or sidewalk
- Grass not mowed

Con #3: Standardized Home Exterior

HOAs have meticulous architectural design guidelines, particularly about homes' exteriors and require an Architectural committee to assess and approve the design. This infringes on your private property rights. For example, building a garage or having a new fence put up will require approval from the HOA.

Con #4: Lack of Transparency in HOA Spending

Like any governing body, an HOA can be efficient and professional, or it can mismanage the community or mispend money.

If your HOA lacks money in its reserves for emergencies or is in financial trouble, it can authorize a special assessment to pay for certain projects or increase monthly dues. This means the HOA can charge the member of the neighborhood more for HOA mistakes. Like mismanagement of the budget or projects on common areas.

Flaws of the Terra Pines Estate HOA Bylaws as Reviewed by a Real Estate Attorney

The content of these Bylaws outlined the intent of the HOA regarding how they will manage the Terra Pines community.

The rest of this letter is meant to inform members of the Terra Pines Community about the flaws of the Bylaws that are going to be voted on at the meeting on June 29th. The following is an outline of my concerns.

- 1) The Powers Section of the Bylaws (page 9), which defines the powers of the Board of Directors ("the Board"), contains deficiencies and is an incredible overreach. The Board is able to "collect membership dues or assessments." In many HOAs, once the Board gets tired of dealing with the problems in the neighborhood, the HOA hires a management company to collect fees for the HOA. In the proposed Bylaws, it is the Board that collects fees. One of the main purposes of hiring a management company to collect fees is to avoid unnecessary conflict between residents. In allowing the Board to collect fees, the potential for conflict is greatly increased. It is one thing for a resident of Terra Pines to have an anonymous person call to collect. It is a completely different thing for a resident to have another resident, a person they know, call or even show up in person to collect. It has the potential to create a scenario that pits the non-board members of Terra Pines against the Board members of Terra Pines. Therefore, the Board collecting fees is a terrible choice. However, the management company option is not feasible either, as these management companies charge thousands of dollars annually.
- 2) The Powers Section of the Bylaws (page 10) allows the Board to "mediate, arbitrate or litigate any and all matters in accordance with the Covenants." That basically means that the Board can turn into the subdivision equivalent of a dictatorship and do whatever they want. The cost of the aforementioned remedies can cost tens of thousands of dollars. Who is going to pay for that? The obvious answer is us, through the membership dues paid. This represents an unfair burden on the residents of Terra Pines.
- 3) The Powers Section of the Bylaws (page 10) also states that "the Board of Directors shall have the power to...procure, maintain, pay premiums on insurance policy or policies as the Board may deem necessary or appropriate." This is yet another expense that the resident of Terra Pines will have to carry at the whims of the Board.
- 4) The Powers Section also includes a power grab by the Board (page 10): "the Board of Directors shall have the power to... oversee the enforcement of the Covenants to have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation as the State of South Carolina by law may now or hereafter have or exercise." The aforementioned clause contains no limiting language

at all. The South Carolina Nonprofit Corporation Act (“the Act”) is meant to be a gap filler. The proposed Bylaws use the Act as a crutch, and by this the **Bylaws do very little to limit the power of the Board. In fact, the Board wants the most power even allowed by law.**

- 5) The Indemnity Section of the Bylaws (page 11) is especially troubling: "The owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of the contract made by the Board of Directors on behalf of the Association...it is intended that the members of the Board shall have no personal liability." You are asking the residents of Terra Pines to submit to these Bylaws, the arbitrary authority of the people on the Board, and pay for any mistakes made by the Board. That is a bridge too far. Furthermore, the Board as a collective has no liability/responsibility for mistakes, but each member of the Board also skirts liability/responsibility for their mistakes.
- 6) The Meeting Section of the Bylaws (page 12) provides that a special meeting can be called with only 5% of the members' signature. Depending on how many individuals join the HOA, the HOA may call a special meeting with just the members of the Board's signature. Five Percent represents an incredibly low bar for the Board to call a special meeting for whatever “pet project” the Board would like to pass. Also, the Board can take action without a meeting if the financial burden is less than \$250, and it is deemed to be time-sensitive in nature. Who determines what time-sensitive is? I would assume the Board does, and outside of extreme events, what could the Board possibly define as “time-sensitive” in nature that could not wait for a meeting of the members? Also, how many \$250 checks can they write? There is no written limitation. Two Hundred Fifty Dollars adds up quickly. With the definition of “time-sensitive” being left up to the Board, there is an unlimited amount of things the Board can do in just a short time period. If the Board decides one month that ten things averaging out \$200 are time-sensitive, then that is \$2000 that the Board would have spent in a month. **I fear that this would mean higher and higher charges to homeowners for HOA dues for years to come.**
- 7) The Operating Procedures Section of the Bylaws (page 13) presents similar problems as listed above: "The annual budget will include an allocation to the Administrative Reserve." Again, where is the limiting principle? How much of the budget will be allocated to the Administrative Reserve? How much of our money is the Board going to hold? The residents of Terra Pines should know how much of their fees are being allocated for administrative purposes long before anything is agreed to by the property owners. Similar criticism exists a sentence later in the Bylaws: "the HOA can provide improvement projects for the subdivision to enhance curb appeal, safety, and protection of private and public property. These shall be coordinated with the Terra Pines Estates Special Tax District Commission." There is no limit on the amount of money the Board can spend on these improvement projects.

- 8) The Architectural Review Committee ("the ARC") has entirely too much power under the Bylaws. Under the Bylaws (page 14), the Board approves litigation, and the ARC manages said litigation. Who are we suing, and for what? As stated above, the cost of litigation is incredibly expensive and can run in the tens of thousands of dollars. The Board approving litigation would have the effect of dramatically increasing the amount of dues that members are expected to pay in the calendar year following the payment of litigation fees, all of that to sue a resident of Terra Pines for what exactly? Not mowing their yard correctly, not installing the correct mailbox, not removing their trash can from the front of their driveway in a timely fashion? The subdivision has been operating just fine since the 1970's. The cost of litigation far outweighs any benefit that could come from suing a resident of Terra Pines. The ARC is also tasked with handling the review process. This essentially means that the Board and the ARC self-regulate themselves regarding what constitutes a violation of the HOA Agreement. Self-regulation usually entails no regulation at all.
- 9) Furthermore, in the section defining the body and duties of the ARC, the Board is tasked with interpreting applicable law. How is the Board remotely qualified to interpret applicable law? Is someone hiring a lawyer to interpret all of this? Who is going to pay the \$300-\$400 an hour for the lawyer? Leaving this up to the Board is guaranteed to result in the misapplication of the applicable law and the waste of Terra Pines resident's money.
- 10) The definition of the word "quorum" not included in the definitions section of the Bylaws. I don't know why the definition is missing, because it is important for homeowners to understand the meaning of this term when reading the Meetings section of the Bylaws.

The Merriam-Webster Dictionary contains the following information:

Definition of quorum

- 1 : a select group
- 2 : the number (such as a majority) of officers or members of a body that when duly assembled is legally competent to transact business
- 11) The Meetings section of the Bylaws also provides some troubling language, similar to the language used to affect a special meeting: a quorum is defined as 20% of the member-households. This, like the members required to form a special meeting, is an incredibly low bar. Most Bylaws require at the bare minimum 50% of members to form a quorum. Like the special meeting, a quorum could just be made up of just the

members of the Board. Leaving a small number of HOA members making decisions that affect our community of approximately 100 households. Is this what the Terra Pines Community wants?

- 12) One last specific criticism is that the Bylaws encourage “tattling” under the “Report Unauthorized Acts” section (page 17). Are we in grade school now? Is it beneficial to everyone in the neighborhood to monitor everyone else? This creates a host of problems. It encourages conflicts between neighbors, represents an affront to the purpose of property ownership in the first place, and encourages residents to act in bad faith generally. Where does this end? These covenants actively require that we police each other. This violates the Constitution and is fundamentally un-American.

Generally speaking, the Bylaws are poorly drafted and obviously not written by an attorney. I can only presume they were a form that was taken off the internet. There were numerous grammatical errors, and certain sections of the Bylaws made little sense.

Speaking of power, one of the tenets of drafting any agreement is that the agreement equates a similar power-sharing arrangement between both parties to the agreement. Here the Board has virtually no checks on their power outside of elections, and the entire Bylaws represent a gross consolidation of power by the Board. **If the board gets out of control, nothing can be done for two years.** It is also unclear why any HOA of Terra Pines would need such a draconian set of bylaws. There are no amenities in the subdivision to maintain or manage. The Bylaws do little to protect the residents of Terra Pines. In fact, the opposite is true. Such a draconian HOA could affect property values in Terra Pines Estates considering any potential purchaser would inherit the same Covenants and Restrictions on their property use. I cannot imagine anyone wanting to purchase a house in Terra Pines with anything close to these Bylaws.

**TERRA PINES ESTATES
HOMEOWNERS ASSOCIATION
BYLAWS**

Greenville, South Carolina

June XX, 2021

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1) INTRODUCTION

This document defines the Terra Pines Estates Homeowners Association and Bylaws. The Terra Pines Estates Homeowners Association is managed by a Board of Directors. This document is the Bylaws of the Terra Pines Estates Homeowners Association.

2) PURPOSE AND AUTHORITY

The purpose of the Terra Pines Estates Homeowners Association is:

- A. A nonprofit Corporation and is not organized for the private gain of any person, it is organized under the South Carolina Nonprofit Corporation Act;
- B. Provide for source of unity among the homeowners of the areas specified in Section 3;
- C. Work for the improvement, beautification and benefit of the areas specified in Attachment A & B;
- D. Promote overall subdivision property values and enhance curb appeal within the subdivision through support of the Covenants;
- E. Promote and protect the Covenants for the areas specified in Attachment A & B.
- F. Coordinate and work with the TPESTDC for the betterment of the community;
- G. Promote and provide social neighborhood functions;
- H. Promote and preserve architectural control for the areas specified in Attachment A & B.

The HOA shall have the power to do all things necessary or convenient to carry out its affairs including, without limitation:

- A. All duties and responsibilities as set forth in these Bylaws;
- B. To exercise all of the powers and privileges and to perform all of the duties and obligations of the HOA as set forth in the Covenants for Terra Pines Estates and any amendments thereto, hereinafter Covenants applicable to the Property and recorded or to be recorded in the Office of the Register of Deeds of Greenville County, South Carolina and as the same may be amended from time to time, therein provided said Declaration being incorporated herein as if set forth at length;

- C. to adopt a budget and fix, levy and collect all charges or assessments pursuant to the terms of these Bylaws; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the HOA, including all licenses, taxes or governmental charges levied or imposed against the property of the HOA;
- D. To acquire (by gift, purchase or otherwise) own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the HOA;
- E. To have and to exercise any and all powers, rights and privileges which a corporation organized under the South Carolina Nonprofit Corporation Act by law may now or hereafter have or exercise.

3) AREA OF MEMBERSHIP

The Terra Pines Estates Homeowners Association (HOA) membership area includes lots on the following streets in Greenville County, South Carolina, USA:

- Terramont Drive
- Montero Lane
- Terra Lea Lane
- Compton Drive
- Doyle Drive
- Terra Creek Court
- Terra Court
- Fischer Rd

4) DEFINITIONS

The following words, when used in this Declaration (unless the context shall prohibit) shall have the following meanings.

- **ARC** - Architectural Review Committee
- **BOD** - Officer or Board of Directors Member
- **Community** – The Area of Membership as defined above.
- **Covenants** - Covenants, Conditions & Restrictions for Terra Pines Estates Greenville, SC as defined for Attachment A & B.
- **Declaration** – shall mean and refer to the Declaration of Protective Covenants for Terra Pines Estates, Greenville, South Carolina, as amended from time to time, recorded in the office of the Register of Deeds, Greenville County, South Carolina.
- **GCC** – Greenville County Council
- **HOA** – Terra Pines Estates Homeowners Association
- **Lot** – A plot of land, whether or not developed, as shown on the attached plats, Attachment A & B.
- **Member** – A member is a person in the Area of Membership that has paid dues and dues are current to the Terra Pines Estates Homeowners Association.
- **Membership** – The combined members of the HOA. Membership in this Association is voluntary. A Membership is per household. Each household is limited to one vote.
- **Officer or Board of Directors Member** - An HOA Member elected to serve on the Board of Directors by the HOA Membership.
- **Owner or Property Owner** – The person or persons holding title to a lot or lots as registered with the Office of the Register of Deeds, Greenville County, South Carolina.
- **Real Property** – Defined as shown on plats Attachment A & B
- **TPESTD** - Terra Pines Estates Special Tax District
- **TPESTDC** – Terra Pines Estates Special Tax District Commission
- **Written Notice** - Any email, typed or handwritten note either sent via email, hand delivered or sent via USPS mail.

5) BOARD OF DIRECTORS

The business and affairs of the HOA shall be managed by a Board of Directors of up to seven (7) persons who shall be natural persons and members of the HOA.

The Directors shall be elected at the annual meeting by the members to a specific office as defined below. The person receiving the largest number of votes for a specific office shall be elected.

Officers and Duties of the Office

President:

- Shall preside at all meetings of the Board of Directors and Membership;
- Call special meetings of committees or members of the Association as deemed necessary;
- Perform all acts, orders and duties to ensure orders and resolutions are completed and carried into effect;
- Serve as an ex officio member of all standing committees;
- In absence of the Treasurer sign checks.

Vice President:

- Shall act in the place of the President in the event of his or her absence, inability or refusal to act;
- Shall exercise and discharge such other duties as may be required by the Board and or as directed by the President;
- Assist the President in the completion of duties.

Treasurer:

- The Treasurer will maintain the financial records for the HOA Responsible for the finances of the organization and shall receive and deposit in appropriate bank accounts all monies of the HOA and shall disburse such funds as directed by resolution of the Board of Directors;
- Shall sign, all checks and promissory notes of the HOA;
- Deposit all funds of the in the name and to the credit of the HOA in such accounts as shall be designated by the Board of Directors;

- Keep proper books of accounts. Monies from Dues are to be accounted separate from monies for special contributions to a special project, monies for each special project will be accounted separately;
- Supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association and deliver such books to his/her successor;
- Prepare an annual budget for the next year and statement of income and expenditures for the current year and present to the Membership at its regular annual meeting, and deliver a summary of the budget and a statement of income & expenses at the annual meeting;
- Have the Association Financial Records available for review if requested by the Membership or any Member. The request must be made in writing 5 business days in advance;
- Authorize funding shifts from specific budget line items as long as the total amount shifted does not exceed \$250.00. Any such shifts shall be transparently presented to HOA members as part of the annual budget review.

Administrator:

- Shall keep the minutes of all Board Meeting and Membership Meetings. Minutes will only be created for significant meetings to document use of HOA funds outside of line items approved during annual HOA meeting budget approval or to document decisions and review of covenant violations;
- Serve notice of the meetings of the Board of Directors and Members as needed;
- Keep the appropriate records of the HOA and perform other duties as required by the Board of Directors;
- Work with the BOD to create committees as needed to support the tasks.

Social Chairperson:

- Responsible to plan regular annual social events. Request volunteers from the community as needed for successful execution of social events;
- Maintain a “lesson learned” list from social events and provide such lists to his/her successor;
- Be responsible to stay within the annual social budget;

- Work with all HOA board members to facilitate Terra Pines Community spirit;
- Will oversee the maintenance of the Terra Pines social media platforms as they are developed in conjunction with the BOD;
- Community Announcements and recognitions. Welcome, Baby, Sympathy, etc..

Architect Review Committee Chairperson:

- Responsible for the operation and oversight of the Architect Review Committee and the completion of the duties assigned to the Architect Review Committee in these Bylaws and Covenants;
- The Architect Review Committee Chairperson will select up to two Members from Section 1, 2 & 3 (Attachment A) and two Members from Section 4 (Attachment B) to serve on the Architect Review Committee. The Architect Review Committee may be a total of up to 5 members. The Architect Review Committee Chairperson is the only member of the ARC Committee on the BOD;
- The Architect Review Committee Chairman will be a member from Section 1, 2 & 3 or Section 4.

Membership Chairperson:

- The Membership Chairperson is responsible to organize Membership Drives;
- The Membership Chairperson may select volunteers, to form the Membership Committee, and during the Membership Drive each property owner shall be contacted to join the HOA. Email, letters, or flyers may be used to contact and to inform the neighborhood about the Membership Drive;
- The Membership Committee is responsible to conduct the election and ballot count at the Annual meeting;
- Work with the Treasurer, to maintain the list of current members and use this list to verify membership at each meeting. If the office of Membership Chairperson is empty, the duties may be shared between the BOD Members;
- Fund raising campaigns.

Other BOD Duties:

- Maintain any and all Social Media platforms;
- May direct an HOA Membership Directory or Community Directory be maintained.

Board of Directors Conduct

The Board of Directors and each Director commits himself or herself to:

- Discharge his or her duty in good faith, with the care a person in like position would exercise and in a manner the director reasonably believes to be in the best interest of the HOA;
- Ensure that HOA complies both with the spirit and the intent of applicable laws, including those intended to promote good citizenship and accountability;
- To conduct the HOA business operations in a manner to avoid possible conflicts of interests;
- In the event of an HOA Officer fails to discharge his or her duties in compliance with these Bylaws any Member of the Board of Directors may be removed from the Board with cause or without, by a majority vote of the Board of Directors Members attending the meeting once a Quorum has been established. In the event of death, resignation or removal of a Board Member his or her successor shall be selected by the remaining Members of the Board of Directors and shall serve the unexpired term.

Powers

The Board of Directors shall have the power to:

- Exercise for the HOA all powers, duties and authority vested in or delegated to this HOA and not reserved to the Membership by provisions of these Bylaws, the Articles of Incorporation ~~or~~ and the Covenants;
- To adopt budget, fix, levy and collect membership dues or assessments;
- 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 or special Board meetings without cause;

- Mediate, Arbitrate or Litigate any and all matters in accordance with the Covenants;
- Solicit competitive bids for HOA projects, such as entrance maintenance, as necessary to complete the duties of the Board of Directors in collaboration with the TPESTD;
- To employ and dismiss independent contractors, agents' employees as it deems necessary and proper, and proscribe their duties and services, fix their compensation and required then to obtain security or fidelity bonds as the Board may deem appropriate;
- To procure, maintain, pay premiums on insurance policy or policies as the Board may deem necessary or appropriate;
- Employ attorneys, accountants, engineers, contractors, or other professionals when deemed necessary;
- Oversee the enforcement of the Covenants To have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation as of the State of South Carolina by law may now or hereafter have or exercise.

Duties

It shall be the duty of the Board of Directors to:

- Operate the HOA in accordance with these Bylaws;
- Supervise all officers, agents and contractors of the Association (such as lawn maintenance company) and see that their duties are properly performed;
- Work with the Terra Pines Estates Special Tax Commission to identify, select and implement improvement projects for the community that will then be presented to the HOA membership for a vote;
- While land containing entrance, signs is not owned by HOA, duties include manage the maintenance of entrances. If in the future the HOA obtains ownership of any real property it will be the HOA duty to manage and maintain the real property;
- The Association will be responsible to maintain entrances, entrance signs, and streetlights. These shall be coordinated with the Terra Pines Estates Special Tax District Commission;
- Conduct an annual meeting to review HOA budget;

- Manage the Architectural Review Committee to maintain the ARC Committee membership and operations compliant to these Bylaws and Covenants;
- Approve legal action to enforce the Covenants when recommended by the Architect Review Committee. HOA shall have the right to enforce, by any proceeding in law or equity, the Covenants and these Bylaws.

Resignation and Removal

- Any Officer may be removed from office with or without cause by the Board of Directors by majority vote.
- Any Officer may resign at any time by giving written notice to the President or Administrator. Such Resignation shall take effect on the date of receipt of such notice or at any later time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- Any officer which has resigned or been removed must return all HOA Records to the HOA Board.
- A vacancy in any office may be filled by appointment by the Board of Directors by majority vote. The Officer appointed to such a vacancy shall serve the unexpired term.

Compensation

No Officer of the Board or Committee Member shall receive compensation for any service he or she may render to the HOA. However, an Officer of the Board will be reimbursed for his or her actual expense incurred in the performance of his or her duties.

Indemnity

The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Covenants or these Bylaws. It is intended that the members of the Board of Directors

shall have no personal liability with respect to any contract made by them on behalf of the Association.

Term of Office

Members to the Office positions on the Board of Directors. Only half the Board of Director positions will be elected to a two-year term at the annual meeting which will create a staggered expiration of some officers each year. The first election cycle is assumed to be in 2021. During the first cycle (Cycle A) the following Board positions will be up for election, with each serving a two-year term following the election: President, Administrator, Social Chair and ARC Chair. The remaining officers, Vice President, Treasurer & Membership Chair, will be elected for a one-year term. The following year, 2022, elections will be held for Cycle B Board positions, with each elected to a two-year term following the election: Vice President, Treasurer, and Membership Chair. Subsequent elections will follow an alternating pattern with each group serving a 2-year term.

Meetings

- HOA Member and Board of Directors meetings will be conducted per Roberts Rule of Order.
- Special Meetings will be held when scheduled by the HOA Board of Directors. A Special Meeting is required to be scheduled within 14 business day after the Board of Directors receives a written request for a Special Meeting with 5% the Members signatures.
- Board of Directors meetings will be scheduled by the President as needed. A Quorum is defined as Three members of the Board of Directors and must include the President or Vice President and a Quorum is required for BOD votes.
- Meeting minutes will be taken for all Board of Directors meetings.
- The Board of Directors has the right to take any action in the absence of a meeting which is considered to be of minimal financial impact (less than \$250.00) and time sensitive in nature. All such actions must be recorded in the Board of Directors Meeting minutes and be provided to the HOA Members at the next HOA Meeting or other prompt methods such as community email announcement.

6) OPERATING PROCEDURES

- The Fiscal Year will be from Jan 1 to Dec 31 of each year.
- Both the President and the Treasurer will be authorized to have access to the Bank Account or Accounts.
- Items not in the budget, new projects, new items, and emergency items that are no more than \$250.00 may be approved by the Board of Directors. Anything exceeding \$250.00 will require a Special Meeting and approval of the voting HOA Membership.
- The annual budget will include an allocation to the Administrative Reserve.
- The HOA can provide improvement projects for the subdivision to enhance curb appeal, safety and protection of private and public property. These shall be coordinated with the Terra Pines Estates Special Tax District Commission.

Books and Records

The Association shall keep the following records at its principal office and shall be available inspection and/or copying upon written demand of at least five (5) business days prior to the date on which the Member wishes to inspect:

- (a) Articles of incorporation currently in effect and any amendments thereto;
- (b) Bylaws currently in effect and any amendments thereto;
- (c) Minutes of all meetings of the members and records of all actions approved by the member for the past three (3) years;
- (d) All significant written communications sent to all members generally within the past three (3) years, and
- (e) List of its current directors and officers.

Members are entitled to inspect and copy, at a reasonable time and location as specified by the Association, the accounting records of the corporation and membership lists upon written demand of at least five (5) business days before the date on which the member wishes to inspect provided that:

- (a) The Members demand is made in good faith and for a proper purpose;
- (b) The Member describes with reasonable particularity the purpose and the records the member desires to inspect; and

- (c) The records are directly related to the stated purpose.

7) ARCHITECTURAL REVIEW COMMITTEE

Organization

- The Architectural Review Committee, ARC, is led by the ARC Chairperson an Elected Officer of the Terra Pines Estates Homeowners Association. The Chairperson may appoint two committee members from Section 1, 2 & 3 and two committee members from Section 4. These appointed ARC Committee Members are not officers of the TPEHOA.

Duties

- The ARC is responsible to process all ARC Review Request for Section 1, 2 & 3 and Section 4 only. No other areas of HOA Membership fall under the ARC responsibility.
- The ARC is responsible to process all ARC Review Request per the timeline specified in the Covenants.
- The ARC Chairperson shall issue timely reports of ARC Review Requests and Covenant violations to Board of Directors.
- Litigation requires approval of the Board of Directors. Once the Board of Directors approves litigation the ARC is responsible to manage the litigation process.
- The ARC review and Approval Process is defined in the Architectural Review Committee Section of the Terra Pines Estates Covenants. The ARC is responsible to maintain, revise and update the ARC Review Request Form. The ARC Review Request form is attached as Attachment C.
- ARC needs a majority of members to approve Review Request.
- Architectural Review Committee Chairman will maintain the records and a copy of every Review Committee Request Form.

Resolution & Appeal Process

- In the event of a violation of the Covenants by an Owner, the Architectural Review Committee Chairperson will notify the HOA BOD and provide written notification to the Property Owner.
- If the Owner reaches an agreement on the action to be taken with the Architectural Review Committee the owner will complete the action within the timeline agreed upon.
- If the Owner and the Architectural Review Committee do not reach agreement the Architectural Review Committee shall recommend corrective action to the Terra Pines Estates HOA Board of Directors including but not limited to litigation or Binding Arbitration. The BOD has the authority to utilize the funds in the Administrative Reserve to fund the litigation. Litigation cost in excess of the balance in the Administrative Reserve will require Membership Approval.
- A property owner may request a meeting with the ARC to discuss the ARC decision of Approval, Conditional Approval, Disapproved and Additional Information Required. The ARC is the sole arbiter of the ARC Review Request Form decisions.
- The HOA BOD shall not be obligated to take action to enforce any covenant, restriction or rule which the Board, in its sole discretion, reasonably determines is, or is likely to be construed as inconsistent with applicable law, or in any case in which the Board, in its sole discretion, reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right to enforce such provision under other circumstances or estop the association from enforcing any other restriction, covenant, or rule.

8) MEMBERSHIP - DUTIES AND RESPONSIBILITIES

- Membership in this Association is voluntary.
- Once a person or household enters into membership, they shall support the Duties & Responsibilities of Membership.

Meetings

- Membership meetings will be conducted per Roberts Rule of Order.
- An Annual meeting, in the first quarter of every year, should occur to review HOA budget and the election of officers. The Board of Directors will determine the place and time.
- A quorum shall be deemed present throughout any meeting of the members until adjourned if at least 20% of the member-households in good standing of the HOA are present, either in person or by proxy at the beginning of such meeting.
- HOA members who are in good standing (dues paid) but unable to attend an HOA meeting may provide written notice to the BOD Administrator, President or Vice President at least 3 days prior to the meeting and authorize a member to proxy vote on any items at the forthcoming meeting.
- Membership Meetings may be scheduled by the Board of Directors as needed with at least 14 business days' but no more than 30 days written notice to the members.
- Special Meetings can be scheduled by the HOA Board of Directors at any time.
- Each Membership Meeting will have a List of the current HOA Members. Each Member will be checked against the Current HOA Member list when entering the meeting hall by the Membership Committee. One Voting Paddle will be provided to each voting member household as long as dues are paid by time of voting.
- Each meeting will have a written Final Agenda available at the meeting.
- Nonmembers may attend meetings but not vote.

Support the HOA

- Attend meetings as able and support the Terra Pines Homeowners Association Activities.

Approve the Budget

- At the annual meeting, approve amendments to the Budget as required and requested by the President and Treasurer.

- At the regular annual meeting the Membership will approve the proposed budget that the Treasurer prepared or approve modifications to the proposed budget. The Budget that the Membership approved is the authority for the Board of Directors to implement approved projects and make payments not to exceed 110% of the budget amount.
- Approve the amount of the annual dues.

Support the Covenants

Members will support and comply with the Spirit and Letter of the Covenants.

Report Unauthorized Acts

Members will report unauthorized or questionable Covenant violations to the President and Chairperson of the Architect Review Committee.

Voting Rights

The members of the HOA shall be entitled to one (1) vote per household. If more than one person or entity owns an interest in the Lot, the owners of the lot shall determine how the single vote will be cast. In no event shall more than one (1) vote be cast with respect to any household. Fractional votes are not permitted.

HOA Dues

The Board of Directors shall propose at the annual meeting the amount of assessment for that year at the annual meeting. If the membership does not adopt the proposed assessment amount for any given year, the dues/assessment shall be set at the amount for the previous year.

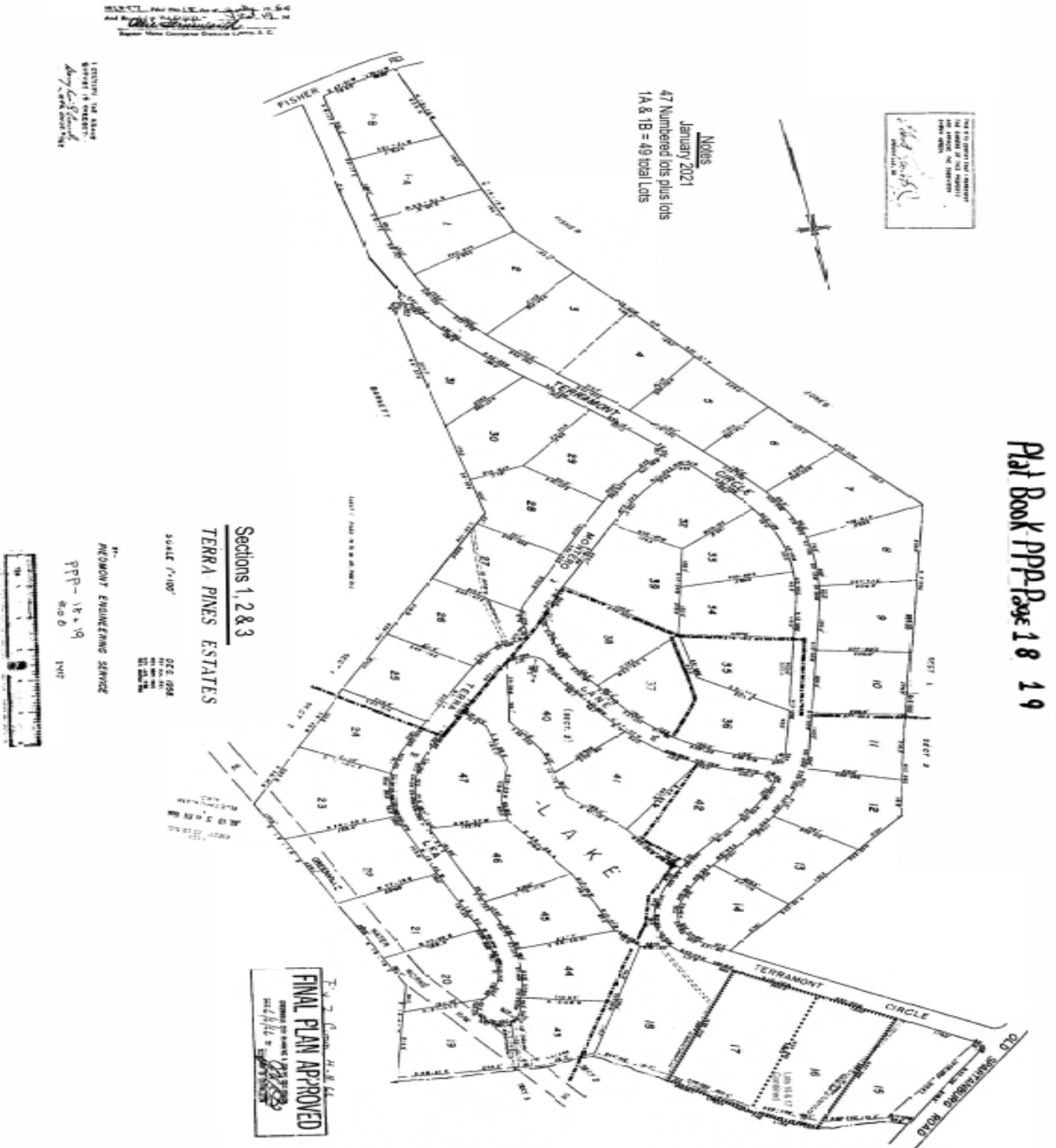
9) AMENDMENTS

These Bylaws may be amended by a majority vote of membership attending any duly called regular or special meeting.

END OF DOCUMENT

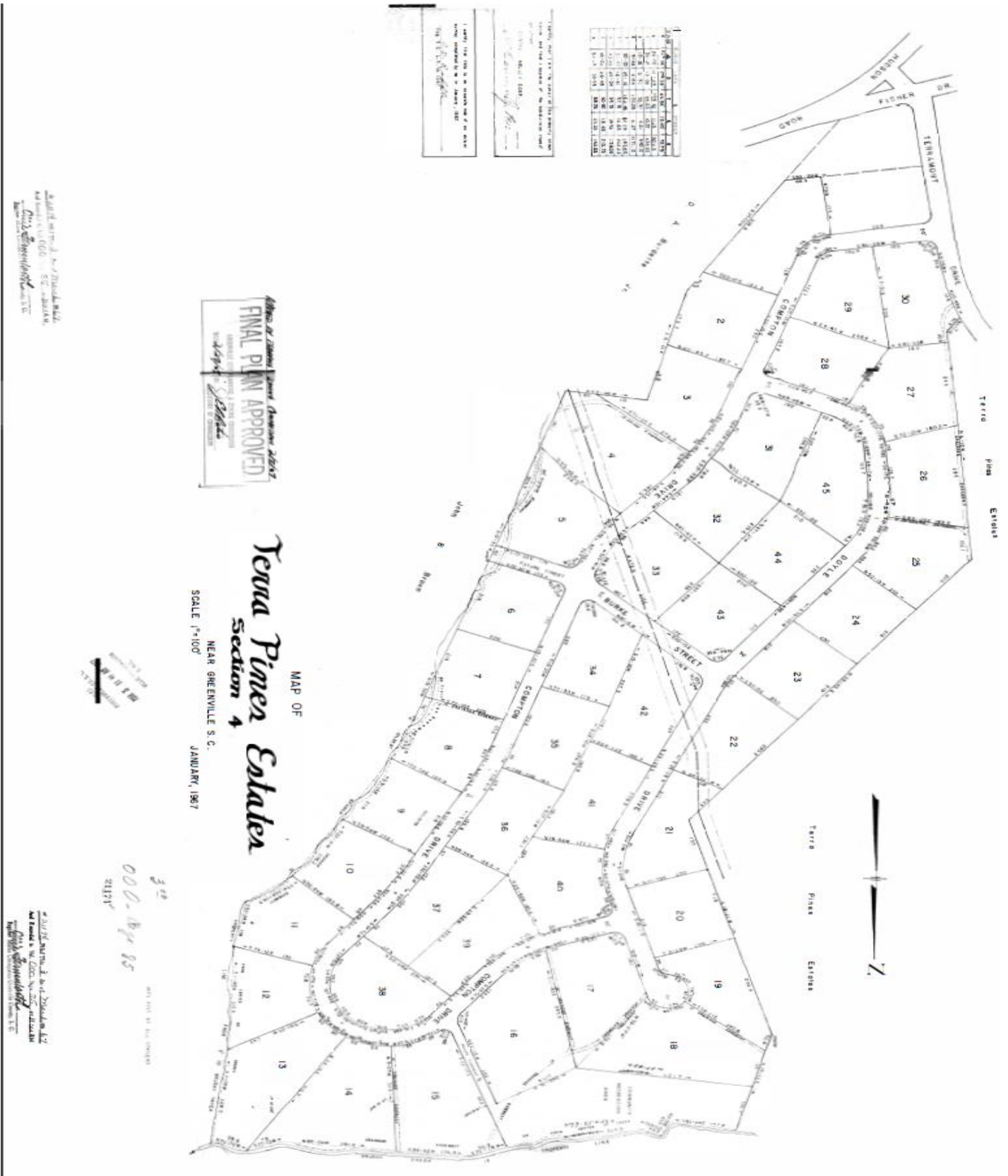
Attachment A

Plat Old Section 1, 2 & 3



Attachment B

Plat Old Section 4



Attachment C

Archectural Review Committee Request Form Terra Pines Estates HOA

Request Date: _____

Received by ARC Date: _____

☐ Information Complete, ARC Signature & Date: _____

☐ Information Incomplete and Returned to Owner, ARC Signature & Date: _____

Owner's Name _____

Address _____

Phone Number _____ email _____

Description of Project needing ARC Review _____

Include or attach sketches or drawings, as applicable. Include Roofing material, Roofing color, Roofing style, Exterior color, Fencing, Playground Equipment, Landscaping, Decks, Gazebos, Pergolas, Satellite Dish and other features as applicable.

Owner's Signature & Date: _____

Archectural Review Committee Decision:

☐ Approved ☐ Approved with Conditions ☐ Disapproved ☐ Additional Information Required

ARC Comments:

ARC Signature & date _____

Prior to starting any construction, it is the Owner's responsibility to assure all setbacks, property limits and easements are met. Important Note: Approval of the Archectural Review Committee does not constitute approval by local governing agencies. Nor Engineering or Structural Engineering approval of the design. Local Codes may require Building Permit.