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STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON) DECLARATION OF COVENANTS
) AND RESTRICTIONS OF
) SNEE FARM VILLAGE

THIS Declaration made by Snee Farm Village, LLC, a South Carolina limited liability company (hereinafter called "Developer") this 8th day of March, 2019.

WITNESSETH:

WHEREAS, Developer proposes to create a community known as Snee Farm Village (hereinafter referred to as the "Community") containing detached single family homes, together with common areas as more fully described herein; and

WHEREAS, Developer is the owner of certain real property located in the County of Charleston, South Carolina, more particularly described in Exhibit "A" attached hereto, which property Developer desires to submit to the plan and operation of this Declaration and which property shall be deemed a part of the Community; and

WHEREAS, the Developer wishes to accomplish the following objectives for its benefit and the benefit of Owners of property in the Community by the imposition of the covenants and restrictions set forth herein:

- (a) To maintain the value and the residential character and integrity of the residential portions of the Community and to maintain the quality and value of any recreational portions of the Community,
- (b) To preserve the quality of the natural amenities of the Community,
- (c) To minimize or eliminate the possibility of any disruptions of the peace and tranquility of the residential environment of the Community,
- (d) To prevent the abuse or unwarranted alteration of the trees, vegetation, lakes, streams and other bodies of water and natural character of the land in the Community,
- (e) To prevent any property Owner or any other persons from building or carrying on any other activity in the Community to the detriment of any Owners of Property in the Community, and
- (f) To keep property values in the Community high, stable and in a state of reasonable appreciation and

WHEREAS, the Developer is desirous of maintaining design criteria, location, construction specifications, and other controls to assure the integrity of the Community; and

NOW, THEREFORE, the Developer hereby declares that all of the Property described in Exhibit "A" shall be held, mortgaged, transferred, sold, conveyed, leased, occupied and used subordinate and subject to the following easements, restrictions, covenants, charges, liens and conditions which are hereby imposed for the purpose of protecting the value and desirability of these lands and which restrictions, easements, charges, liens, conditions, and covenants shall touch and concern and run with title to the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in these described properties or any portion of them. This instrument also binds the respective heirs, devisees, fiduciary representatives, successors, successors in title and/or assigns, and shall inure to the benefit of anyone or anything who/which purchases or takes any interest in real property within the lands subject to this Declaration.

ARTICLE I DEFINITIONS

When used in this Declaration, unless the context shall prohibit or require otherwise, the following words shall have the following meanings, and all definitions shall be applicable to the singular or plural forms of any such term(s):

Section 1.1. Architectural Review Board shall refer to the board formed for the purpose of enforcement of architectural standards and criteria set forth in this Declaration for Snee Farm Village. The Architectural Review Board shall hereinafter be referred to as the "ARB".

Section 1.2. Area of Common Responsibility shall mean the Common Area, together with those areas, if any, which by the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contract or agreement, become the responsibility of the Association.

Section 1.3. Assessment shall mean and refer to an Owner's share of the Common Expenses or other charges from time to time assessed against an Owner by the Association in the manner herein provided.

Section 1.4. Association means Snee Farm Village Homeowners Association, Inc (a South Carolina eleemosynary corporation), its successors and assigns.

Sections 1.5. Association Legal Documents means shall mean the Articles of Incorporation (attached hereto as Exhibit "B"), the Declaration, the By-Laws, in addition to the all rules and regulations promulgated by the Board, the Design Guidelines, and all Plats, as may be amended from time to time.

Section 1.6. Board of Directors shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

Section 1.7. Builder shall mean any Person who purchases one or more Lots for the purpose of constructing improvements for subsequent sale to consumers or purchases one or more parcels of land within the Community for further subdivision, development, and resale in the ordinary course of such Person's business and who is designated, in writing, by the Developer, as a Builder. Any Person occupying or leasing a Lot for residential purposes shall cease to be considered a Builder with respect to such Lot immediately upon occupation of the Lot for residential purposes, notwithstanding that such Person originally purchased the Lot for the purpose of constructing improvements for subsequent sale to consumers and was originally designated a Builder.

Section 1.8. By - Laws of the Association shall mean and refer to those By-Laws of the Association

which govern the administration and operation of the Association attached hereto as Exhibit "C" and made a part hereof by reference, as may be amended from time to time.

Section 1.9. Class B Control Period shall mean the period of time during which the Class B Member is entitled to appoint the members of the Board of Directors, as provided in Article III, Section 3.10. hereof.

Section 1.10. Common Areas shall mean and refer to all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners or designated by the Developer as Common Areas on the Community Plat.

Section 1.11. Common Expenses shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of financial, equipment, or material reserves, consistent with the provisions and intent of this Declaration.

Section 1.12. Community with an initial capital letter, shall mean and refer to those tracts or parcels of land described on Exhibit "A", together with all improvements presently thereon and subsequently constructed thereon. Community and Property may be used interchangeably in this Declaration.

Section 1.13. Community Plat shall mean and refer to those certain plats of the Property described in Exhibit "A" attached hereto, together with any future revisions thereof.

Section 1.14. Declaration shall mean this Declaration, together with all supplements and amendments to this Declaration as filed in the Office of the Register of Deeds for Charleston County.

Section 1.15. Design Guidelines shall mean the design and construction guidelines and application and review procedures applicable to the Property promulgated and administered pursuant to this Declaration.

Section 1.16. Developer means the Declarant under this document, Snee Farm Village, LLC, its successors and assigns. The Developer shall have the right to assign any or all rights which it may possess, as Developer, to Snee Farm Village Property Owners Association, Inc., or any person or entity, including a Sub-Developer, provided, however, that the instrument or assignment shall expressly so provide. Developer and Declarant may be used interchangeably.

Section 1.17. Development Period shall mean the period of time during which the Developer owns any property which is subject to this Declaration.

Section 1.18. General Assessment shall mean assessments levied on all Lots subject to assessment to fund Common Expenses for the general benefit of all Lots, as more particularly described in Article VI Section 6.4 hereof.

Section 1.19. Foreclosure shall mean and refer to, without limitation, the judicial foreclosure of a Mortgage or the conveyance of secured property by a deed in lieu of judicial foreclosure.

Section 1.20. Lease shall mean and refer to any lease, sublease or rental contract, whether oral or written, and for a term of hours, days, months or years.

Section 1.21. Living Space shall mean and refer to enclosed and covered areas within a dwelling on a Lot, exclusive of garages, rooms over garages, unenclosed porches, porte-cocheres, garages, carports, breezeways, terraces, balconies, decks, patios, courtyards, greenhouses, atriums, bulk storage areas, attics and basements.

Section 1.22. Lot shall mean and refer to: (1) any parcel of Property within the Community intended for use as a single-family Lot, (2) those portions of the Community identified as "Lots" on a Community Plat but shall not include any Common Areas as defined herein.

Section 1.23. Majority shall mean those votes, Owners, Members or other group, as the context may indicate, totaling more than 50% of the total eligible number.

Section 1.24. Mortgage with an initial capital letter, shall mean and refer to a mortgage, security deed, deed of trust, installment land sales contract and security agreement or other similar security instrument granting, creating or conveying a lien upon, a security interest in, or a security encumbered title to a Lot.

Section 1.25. Mortgagee with an initial capital letter, shall mean and refer to the holder of a Mortgage.

Section 1.26. Occupant shall mean and refer to any person, including, without limitation, any Owner or any guest, invitee, licensee, lessee, tenant, transient paying guest, or family member of an Owner lawfully occupying or otherwise using a Lot/Home within the Community.

Section 1.27. Owner with an initial capital letter, shall mean and refer to one or more persons or entities, including Developer, who or which own(s) fee simple title to any Lot including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Owner shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but shall not mean or refer to any Mortgagee or subsequent holder of a mortgage, unless and until such Mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner, and shall refer to the Developer so long as Developer retains its class B Membership, whether or not Developer owns any Lot.

Section 1.28. Person shall mean and refer to a natural person, corporation, partnership, association, proprietorship, trust, or any other legal entity or any combination thereof.

Section 1.29. Property or Properties shall mean and refer to all property, which is subject to this Declaration.

Section 1.30. Recreational Amenities shall include such recreational facilities and improvements owned by and so designated by Developer and are, from time to time, located within the Community or located within or dedicated to the Common Areas, including, without limitation, playground areas, lagoons, and any clubhouse, park, tennis court, ball field, dock or other recreational facility constructed by the Developer and dedicated to the common use and enjoyment of the Owners by the Developer.

Section 1.31. Special Assessment shall mean assessments levied in accordance with Article VI, Section 6.6 hereof.

Section 1.32. Specific Assessment shall mean assessments levied in accordance with Article VI, Section 6.7 hereof.

Section 1.33. Subdivision shall refer to Snee Farm Village and all associated properties.

ARTICLE II PLAN OF DEVELOPMENT

Section 2.1. Plan of Development of the Community. The Community initially shall consist of the Property described on Exhibit "A" attached hereto. The Property shall also include certain improvements to the Common Areas, including utility systems, drainage systems and other improvements serving the Lots, and various Recreational Amenities to the extent the same are, from time to time, installed and existing and submitted to the provisions hereof. The dimensions of the Property constituting the Community are shown on the Community Plat. The Properties within the Community are shown on the Community Plat. The Property within the Community shall be subject to the covenants, easements and restrictions set forth in this Declaration. Developer shall have the right, but not the obligation for so long as Developer owns any portion of the Common Areas or owns any Lot primarily for the purpose of sale of the Lot, to make improvements and changes to all Common Areas and to any or all Lots or other property owned by Developer, including but not necessarily limited to the following: (i) installation and maintenance of any improvements in and to the Common Areas, including the Recreational Amenities; (ii) changes in the location of the boundaries of the Common Areas, any Recreational Amenities, and any Lots owned by Developer or of the dedicated or undedicated Common Areas; (iii) installation and maintenance of any water, sewer and other utility systems and facilities, to include, but not limited to, T.V. cable and its various attendant services and telephone service to include, teletype or computer, telex, news service, or computer, or any such like instrument used in the transmittal, reception, or retrieval of messages, facts, or information; and (iv) installation of security and/or refuse facilities. The Association shall have the right to access and collect reasonable fees and charges for the use of Recreational Amenities.

Section 2.2. Interest Subject to Plan of Development. Every purchaser of a Lot or any portion of the Community shall purchase such Lot or other Property and every Mortgagee and lien holder holding an interest therein shall take title, or hold such security interest with respect thereto, with notice of Developer's plan of development as set forth herein. Any provision of this Declaration to the contrary notwithstanding, the provisions of the foregoing plan of development set forth in this Article may not be abrogated, modified, rescinded, supplemented or amended in whole or in part without the prior written consent of Developer.

Section 2.3. Master Plan Revision. Developer reserves the right to delete property, amend zoning and make change in density and product at anytime. The master land plan may be modified, changed or amended by the Developer at its sole discretion subject to approval by the appropriate municipal authorities. Planned amenities and common areas may also be modified in terms of plans and proposed use by Snee Farm Village, its Developer and/or Assigns.

ARTICLE III THE ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS

Section 3.1. The Association. The Developer has established or will establish the Association for the purpose of exercising powers of owning, maintaining and administering the Common Areas, the Recreational Amenities and common facilities and providing common services, administering and enforcing covenants, conditions and restrictions contained herein, and levying, collecting and disbursing assessments and charges herein created. Further, the Developer reserves the right to convey to the Association and the Association agrees to accept any or all of its rights and obligations set forth herein. The Association shall be authorized but not required to provide the following services:

- (a) Clean-up, maintenance, landscaping of all open spaces, lagoons, lakes, open spaces within the

Community or in a reasonable proximity to the Community such that their deterioration would affect the appearance of the Community as a whole.

- (b) Insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the State and local governments.
- (c) Construction, maintenance, landscaping and reconstruction of Recreational Amenities and other improvements within the Common Areas.
- (d) To set up and operate the ARB as provided herein.
- (e) To construct improvements on open spaces and Common Areas.
- (f) Communication services informing members of activities, notice of meetings, referendums, etc., incident to the above listed services.
- (g) To provide liability and hazard insurance covering improvements and activities on the open spaces and the common properties, independently or in collaboration with the Developer.
- (h) To provide directors and officers liability insurance for the Association and its duly elected Directors and Officers.
- (i) Maintenance of all lakes and lagoons located within the properties, including the stocking of such lakes and lagoons if approved by the Board of Directors.
- (j) Landscaping of roads and parkways, sidewalks and walking paths within the Community and any common properties or open spaces located therein.
- (k) To take any and all actions necessary to enforce all covenants and restrictions affecting the Community and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Community.
- (l) To provide any and all services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligation and business under the terms of this Declaration.

Section 3.2. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings, equipment and common landscaped areas), and shall keep it in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions hereof and consistent with the community standards. The Association shall be responsible for maintenance of, and insurance and taxes on, property identified on the Community Plat as being Common Area or possible future Common Area, during all times that such property is made available by Developer for use by Owners, notwithstanding that such property may not yet have been conveyed to the Association.

Section 3.3. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. Upon conveyance or dedication by the Developer to the Association, such property shall be accepted by the Association "as is" and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions or limitations set forth in the deed of conveyance.

Section 3.4. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Property, including, but not limited to, ARB rules and regulations and rules and regulations governing the use of the Common Area, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Such regulations and use restrictions shall be binding upon all Owners, Occupants, invitees, and licensees, if any, until and unless overruled, cancelled, or modified in a regular or special meeting of the Association by the vote of Members representing a majority of the total Class A votes in the Association and by the

Class B Member, so long as such membership shall exist. Any such rules and regulations required to be recorded may be attached hereto as an exhibit or recorded in a separate document.

Section 3.5. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws. The Association may also exercise every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 3.6. Governmental Interests. The Developer may designate sites within the Property for public or quasi-public facilities. No membership approval shall be required for such designation. The sites may include Common Area, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by the Developer. The sites may include other property not owned by Developer provided the owner of such property consents.

Section 3.7. Indemnification. To the fullest extent permitted under the law, the Association shall indemnify every officer, director, ARB member and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, ARB member or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation, or South Carolina law.

The officers, directors, ARB members and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director, ARB members or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 3.8. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than they otherwise might be. Neither the Association, the Developer, nor any successor Developer shall in any way be considered insurers or guarantors of security within the Property. Neither the Association, the Developer, nor any successor Developer shall be held liable for any loss or damage for failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measure, including any mechanism or system for limiting access to the Property cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, and understands and covenants to inform its tenants and all Occupants of its Lot that the Association, its Board of Directors, ARB members, committee members, Developer, and any successor Developer are not insurers and that each Person using the Property assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

Section 3.9. Membership. Every person or entity who is an Owner of any Lot, which is subjected to this Declaration, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessments.

Section 3.10. Voting Rights. The Association shall have two classes of voting membership, Class A and Class B as set forth below:

Class A. Class A members shall be all Owners, excepting the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 3.9. above. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one vote be cast with respect to any such Lot. (When a purchaser of an individual Lot or lots takes title thereto from the Developer, such purchaser becomes a Class A member.)

Class B. The sole Class B member shall be the Developer or its assigns. The Class B Member shall be entitled to appoint all members of the Board of Directors during the Class B Control Period. The Class B Control Period shall end and Class B membership shall cease and become converted to Class A membership upon the occurrence of the first of the following events:

- (1) When the Developer has conveyed to others 100% of the Lots in the Community; or
- (2) Twenty years from the date this Declaration is recorded; or
- (3) When the Developer executes and records an instrument forfeiting its Class B Membership.

Provided, however, that the Developer reserves the right to extend the period for which it retains Class B membership. Should such action be deemed by the Developer to be in the best interest of the Community and/or Association for any reason whatsoever, the Developer may elect an extension period beyond the Class B dissolution conditions or dates provided herein above, thus retaining Class B membership and voting rights for the specified extension period. The Developer shall provide notification of its intent of extension to the Association Membership in writing thirty (30) days prior to the applicable Class B dissolution condition or date.

Section 3.11. Association Management. The Association shall be managed by the Developer or its designee while controlled by the Class B voting rights of the Developer. The Developer may elect to have a property management company manage the business and affairs of the Association while under control of the Developer. The Association may require any and all Regime and Sub-Associations established with respect to any portion of the Community to exclusively utilize the same property management firm as utilized by the Association.

ARTICLE IV PROPERTY RIGHTS IN THE COMMON AREAS; EASEMENTS

Section 4.1. Owners' Easements of Enjoyment. Subject to the provisions of Section 4.3 below, every Owner shall have a non-exclusive right and easement of enjoyment in and to the dedicated Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 4.2. Title to Common Areas. The Developer hereby covenants for itself, its successors and assigns, that on or before twenty years from the date of recordation of this Declaration, it will convey to the Association in accordance with the provisions hereof, by limited deed or deeds, fee simple title to the Common Areas, subject, however, to all liens and encumbrances of record and also subject to the following covenant, which shall be deemed to run with the land and shall be binding upon the

Association, its successors and assigns:

“In order to preserve and enhance the property values and amenities of the community, the Common Areas and all facilities now or hereafter built or installed thereon shall at all times be maintained in good repair and condition by the Association and shall be operated in accordance with high standards. The maintenance and repair of the Common Areas shall include, but not be limited to, the repair of damage to walkways, buildings, recreational equipment, if any, fences, signs, and utility lines, connections and appurtenances.”

This Section shall not be amended so as to eliminate or substantially impair the obligation for the maintenance and repair of the Common Areas. The Developer may also impose additional covenants on such Common Areas at the time of such conveyance(s).

Section 4.3. Extent of Owners Easements. The rights and easements created hereby shall be subject to the following:

- (a) The Association Legal Documents, as they may be amended from time to time and subject to any restrictions or limitations contained in any deed conveying such property to the Association;
- (b) The right of the Developer and of the Association to dedicate, transfer or convey all or any part of the Common Areas, with or without consideration, to any successor association, governmental body, district, agency or authority, or to any utility company, provided that no such dedication, transfer or conveyance shall adversely affect the use of the Common Areas by the Owners;
- (c) The right of the Developer and of the Association, to grant, reserve and accept easements and rights of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil and other utilities and services, including, but not limited to, a cable (CATV) or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Developer to grant and reserve easements and rights-of-way through, over, and upon and across the Common Areas for the completion of the Community, and for the operation and maintenance of the Common Areas;
- (d) The right of visitors, invitees, etc., to ingress and egress in and over those portions of the Common Areas that lie within the private alleys, roadways, parking lots and/or driveways (and over any other necessary portion of the Common Areas in the case of landlocked adjacent Owners) to the nearest public highway;
- (e) The right of the Association, as provided in its By Laws, to suspend the enjoyment rights of any Owner as provided in this Declaration;
- (f) The right of the Developer and the Association to establish rules and regulations for the community and to set fees and charges from time to time for use of the Common Areas and any Recreational Amenities;
- (g) The right of the Association, acting through the Board to mortgage, pledge, or hypothecate and or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements, in any, set forth in this Declaration; and
- (h) The right of the Developer and/or the Board to permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees, if any, established by the Board.

Section 4.4. Delegation of Owner's Rights. Any Owner may delegate, in accordance with the By Laws of the Association, said Owner's right of enjoyment to the Common Areas and facilities to his tenants and invitees.

Section 4.5. Access. All Owners, by accepting title to Lots conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress and egress to and from such Lot and acknowledge and agree that such access, ingress and egress shall be limited to roads, sidewalks, walkways, and trails located within the Community from time to time, provided that pedestrian and vehicular access to and from all Lots shall be provided at all times.

Section 4.6. Easements for Developer. During the period that Developer owns any Common Area or owns any Lot primarily for the purpose of sale, Developer shall have an alienable and transferable right and easement on, over, through, under and across the Common Areas for the purpose of constructing or improving Lots, any improvements to the Common Areas, and for installing, maintaining, repairing and replacing such other improvements to the Community (including the Recreational Amenities and other portions of the Common Areas) as are contemplated by this Declaration or as Developer desires, in its sole discretion, including without limitation any improvements or changes permitted and described in this Declaration, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided that in no event shall Developer have the obligation to do any of the foregoing.

Section 4.7. Changes in Boundaries; Additions to Common Areas. Developer expressly reserves for itself and its successors and assigns the right to make changes and realignments in the boundaries of the Common Areas and any Lots, Recreational Amenities owned by Developer, including the realignment of boundaries between adjacent Lots, and/or Common Areas owned by Developer.

Section 4.8. Easements for Utilities. There is hereby reserved for the benefit of Developer, the Association and their respective successors and assigns the alienable, transferable and perpetual right and easement, as well as the power to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person upon, over, under and across: (i) all of the Common Areas; (ii) areas shown as easement areas on the Community Plat; and (iii) an area across every Lot five (5') feet in width along the front boundary lines thereof, and five (5') feet in width along the side boundary lines thereof, and five (5') feet in width along the rear boundary lines thereof; for the purpose of installing, replacing, repairing, maintaining and using master television antenna and/or cable systems, security and similar systems, and all utilities, including but not limited to storm sewers and drainage systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by the Developer, its successors or assigns, or by the Board of Directors of the Association; provided, however, that for so long as Developer owns any portion of the Common Areas or owns any Lot primarily for the purpose of sale, the Board of Directors must obtain the written consent of Developer prior to granting or accepting any such easements. To the extent possible, all utility lines and facilities serving the Community and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or service provider, with respect to the portions of the Community so encumbered (i) to erect and maintain pipes, lines, manholes, pumps and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems.

Notwithstanding anything to the contrary herein, this easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Lot, and any damage to a Lot resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or Occupant.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier, electric company, and natural gas supplier easements across all the Common Area for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the dwelling on any Lot.

Section 4.9. Easements for Walks, Trails and Signs. There is hereby reserved for the benefit of Developer, the Association, and their respective successors and assigns, the alienable, transferable and perpetual right and easement upon, over and across all other lands which may remain unimproved for the installation, maintenance and use of sidewalks, jogging trails, bike paths, traffic directional signs, lagoons, drainage ways, and related improvements.

Section 4.10. Easements for Association. There is hereby reserved a general right and easement for the benefit of the Association, its Directors, officers, agents, and employees, including but not limited to any property manager employed by the Association and any employees of such manager, to enter upon any lot or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner, Occupant, or the Owner(s) affected.

Section 4.11. Sales Offices, Rental Offices, Property Management Offices and Construction Offices. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Developer, its successors, and assigns, the perpetual, alienable and transferable right and easement in and to the Property, including the Common Areas, for the maintenance of signs, sales offices, rental offices, property management offices, construction offices, business offices and model or sample Lots, together with such other facilities as in the sole opinion of Developer reasonably may be required, convenient or incidental to the completion, management, rental, improvement and/or sale of Lots or Common Areas. The Developer also reserves the right to grant to Builders the right to operate and maintain Builder's trailers, sales offices and signage at any location within the Community upon such terms and conditions as the Developer in the Developer's sole discretion may establish.

Section 4.12. Easement for Exterior Landscaping and Maintenance. Subject to the other terms of this declaration, there is hereby reserved for the benefit of the Developer, the Association and their respective agents, employees, successors, and assigns an alienable, transferable and perpetual right and easement to enter upon those portions of a Lot outside the dwelling or structures thereon for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety and appearance within the Community; provided that such easements shall not impose any duty or obligation upon the Developer or the Association to perform any such actions. This Easement may be used by Developer, the Association and their respective agents, employees, successors and assigns for the provision of services required or permitted under this Declaration, including the provision of certain landscaping services.

Section 4.13. Environmental Easement. There is hereby reserved for the benefit of the Developer, the Association and their respective agents, employees, successors, and assigns an alienable, transferable and perpetual right and easement on, over and across all unimproved portions of the Common Areas, and Lots for the purposes of taking any action necessary to effect compliance with environmental rules, regulations and procedures from time to time promulgated or instituted by the Board of Directors or by any governmental entity, such easement to include without limitation the right to implement erosion control procedures and practices, the right to drain standing water and the right to dispense pesticides.

Section 4.14. Wells and Effluent. There is hereby reserved for the benefit of Developer, the Association and their respective agents, employees, successors, and assigns an alienable, transferable and perpetual right and easement: (i) to pump water from lagoons, ponds and other bodies of water located within the Community for the purpose of irrigating any portions of the Community and for other purposes; (ii) to drill, install, locate, maintain and use wells, pumping stations, water towers, situation basins and tanks and related water and sewer treatment facilities and systems within the Common Areas, including within any portion of the Recreational Amenities; or (iii) to spray or locate any treated effluent within the Common Areas, including within any unimproved portion of any Recreational Amenities.

Section 4.15. Easement over Lots for Access, Use and Maintenance of Centralized Mailbox System. There is hereby reserved to the Developer, Association, and all Owners a perpetual, non-exclusive easement and right over and across those portions of the Lots and the Common Area as may be reasonably necessary for access, ingress and egress to, and use, maintenance, repair, and replacement of the Centralized Mailbox System. Such access, ingress, egress, use, maintenance, repair, and replacement shall be performed with a minimum of interference to the quiet enjoyment of the Owners of the affected Lots.

Section 4.16. Access Easements for Use as Yard of Adjacent Lots. Certain Lots will be benefited and/or burdened by an exclusive yard easement which allows the exclusive use of a portion of the yard area of a Burdened Lot (the "Access Easement") by the Owner or Occupant of the adjacent Benefited Lot, including for such purposes as landscaping and general recreation. The Access Easement locations shall be shown on a recording, whether attached to a deed to a Lot, through an amendment to this Declaration, or through a separate recording of the Access Easements. Developer may, but shall not be required to, fence Access Easement areas. Any such fencing shall be treated as common fencing as described elsewhere in this Declaration.

- (a) Statement of Intent. Developer intends that the Owner of each Burdened Lot shall be restricted to using an Access Easement located thereon for maintenance purposes only. Developer also intends that each Benefited Lot Owner shall have an easement for use and enjoyment of the Access Easement located on the adjacent Burdened Lot.
- (b) Use and Enjoyment of Access Easement. The Access Easement benefitting a Benefited Lot shall be a nonexclusive easement of access, ingress and egress over and across the Access Easement area on the adjacent Burdened Lot for the purpose of fully using and enjoying such Access Easement area in any manner permitted by this Declaration, including such purposes as landscaping, general recreation, access, drainage and other visual, aesthetic and recreational purposes. It is intended that each such Access Easement shall be appurtenant to and run with title to each Benefited Lot.
- (c) Use Restrictions.
 - (1) Restrictions on Lot Burdened by Access Easement. Each Owner of a Lot burdened by an Access Easement shall use that Access Easement area burdening Owner's Lot for the purpose of constructing, reconstructing, maintaining (including termite abatement) and repairing the improvements constructed on the Burdened Lot at reasonable times and under reasonable circumstances. After the original construction of the dwelling and garage on the Burdened Lot, no additional door, window, duct, vent or aperture of any kind shall be constructed on the side of the dwelling or garage that abuts or adjoins the Access Easement area on the Lot without the consent of the Benefited Owner of the adjacent Lot in addition to all other approvals required under this Declaration. Each Owner shall use reasonable care not to damage any landscaping or other items existing in the Access Easement area; provided, however, such Owner shall not be responsible for damage to such landscaping or other items to the extent such damage could not be reasonably avoided in connection with entry upon the

Access Easement area for authorized purposes.

- (2) Restrictions on Lot Benefited by Access Easement. Each Owner of a Lot benefited by an Access Easement shall not (i) suffer or permit any waste upon the Access Easement area; (ii) undertake any use of or affix any object to any wall, fence or other structure on the adjacent Burdened Lot; (iii) undertake any grading that would tend to prevent proper drainage of the Access Easement area, or to promote soil erosion or to undermine support for the foundation of any wall, fence or other structure on an adjacent Lot; (iv) place or permit the accumulation of any soil or fill material against any wall, fence or other structure on an adjacent Lot above the original grade; (v) cause, suffer or permit any damage to any utility lines located within the Access Easement area or interrupt or interfere with the maintenance and repair thereof; (vi) construct, erect or install any structure upon, across, over, under or within the Access Easement area or undertake any grading or fill or any other activity upon the Access Easement area which violates any applicable governmental statute, ordinance, rule or regulation or the provisions of this Declaration; (vii) stack wood or permit trees, shrubbery or other vegetation to grow on the Access Easement Area which would cause damage to or interfere with the maintenance and repair of any wall, fence, dwelling or structure on an adjacent Lot; (viii) cause or permit any offensive contact (including, without limitation, any pounding or bouncing of objects) with any wall of the dwelling structure on an adjacent Lot; (ix) suffer or permit upon the Access Easement area any activities by household pets or other animals which would tend to cause damage to or undermine support for any wall, fence or other structure on an adjacent Lot; or (x) cause or permit to exist any open, uncontained fire within the Access Easement area. The existence of air conditioning and heat-pump units shall be permitted in the Courtyard Easement Area provided such units have been approved in accordance with his Declaration and do not interfere with the rights granted in this Section.

Section 4.17. No Partition. There shall be no judicial partition of the Community or any part thereof, nor shall any person acquiring any interest in the Community or any part thereof seek any such judicial partition unless the Community has been removed from the provision of this Declaration.

Section 4.18. Federal, State and Local Agency Jurisdiction. Notice is hereby given of the Restriction that all activities and use of the land to include Lots, Common Areas, and unimproved land within the Community, is subject to laws, rules and regulations of any Federal, State, or Local Agency with lawful jurisdiction. Any Owner is liable to the extent of such Owner's ownership for any damages to or any inappropriate or permitted uses of the property.

ARTICLE V RIGHT OF ASSOCIATION TO ALTER, IMPROVE, MAINTAIN AND REPAIR COMMON AREAS AND PORTIONS OF LOTS

Section 5.1. Rights of Association. The Association shall have the right to make or cause to be made such alterations, modifications, improvements, repairs, maintenance and replacements to the Common Areas and the portions of Lots set forth herein, and the cost thereof shall be assessed as Common Expenses and collected from the Owners on an equal basis.

Section 5.2. Responsibilities of Owners. Unless specifically identified herein as being the responsibility of the Association, all maintenance and repair of Lots, together with all other improvements thereon or therein and all lawns, landscaping, and grounds on and within a Lot shall be the responsibility of the Owner(s) of such Lot. Developer shall be responsible for Developer-owned properties. Each Owner shall be responsible for maintaining such Owner's Lot, as the case may be, in a neat, clean and sanitary

condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all buildings and other structures. Unless provided by the Association as allowed herein, such maintenance obligations shall include, but are not limited to (i) removing all litter, debris, and trash; (ii) mowing lawns on a regular basis with the grass level no higher than 3.5"; (iii) pruning of trees, shrubs, and bushes with no plant covering exterior windows; (iv) removing promptly and replacing any dead plant material and keeping flower beds weed free; and (v) installing and maintaining pine straw or mulch in flower beds and non-grassed areas with no bare dirt exposed. As provided in Section 5.3.(c) hereof, each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining or cleaning any item which is the responsibility of such Owner, but which responsibility such Owner fails or refuses to discharge. No Owner shall: (i) decorate, change or otherwise alter the appearance of any portion of the exterior of a structure on any Lot unless such decoration, change or alteration is first approved, in writing, by the ARB, as otherwise provided herein; or (ii) do any work which, in the reasonable opinion of the ARB, would jeopardize the soundness and safety of the Community, reduce the value thereof, or impair any easement or hereditament thereto, without in every such case obtaining the written approval of the ARB and the Owners and Mortgagees of the Lots directly affected thereby or benefiting from such easement or hereditament. With respect to this section regarding maintenance of an Owner's Lot, an Owner's responsibility for maintenance shall include any areas specified for use of said Owner's Lot as an Access Easement on an adjacent Lot, as that term is defined in this Declaration in Section 4.16, excluding the exterior of the adjacent Lot's dwelling or structures should such fall within the Access Easement area.

Section 5.3. Association's Responsibility.

- (a) Landscaping Services. The Association may, but is not required to, provide certain exterior landscaping services, including, but not limited to, grass cutting, edging, and leaf and grass-clipping blowing/removal. The cost of furnishing such services shall be assessed and collected as a part of the assessments as provided for under this Declaration. No assurance or guarantee is made that the Association will provide or continue to provide such Landscaping Services. The Association may, by Board action and in its sole discretion, suspend, modify, or discontinue providing such service in which case each Owner may be required to furnish said services at Owner's sole cost and expense in accordance with Section 5.2. herein. If the Association is furnishing Landscaping Services to a Lot, but a portion of the Lot with respect to which the service is to be furnished is obstructed with temporary or permanent improvements, personal property, or other obstructions which make it difficult or impractical for the Association's agent or contractor to furnish the service, the Association shall not furnish the Landscaping Service and, in such case, the Owner shall be responsible for furnishing such service to such portion of the Lot at the Owner's sole cost and expense, so that the appearance of such portion of the Lot is similar to that of those portions or of the neighboring Lots where the Landscaping Services were furnished by the Association and said Owner shall be responsible for the ongoing payment of assessments without reduction or adjustment. With respect to this section regarding provision Landscaping Services of an Owner's Lot, an Owner's Lot shall include any areas specified for use of said Owner's Lot as an Access Easement on an adjacent Lot, as that term is defined in Section 4.16.
- (b) Common Area Maintenance. Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, which responsibility shall include the maintenance, repair and replacement of: (i) all Common Areas, including, but not limited to private alleys or roadways not maintained by some other entity, walks, trails, lagoons, ponds bike trails, jogging paths, landscaped areas/natural areas and other improvements situated within the Common Areas or within easements encumbering Lots; (ii) such security systems and utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the Common Areas and which are not maintained by the Developer

or a public authority, public service district, public or private utility or other person; and (iii) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within the Common Areas as they may be constituted from time to time. The Association shall not be liable for injury or damage to any person or property (A) caused by the elements or by any Owner or any other person, (B) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (C) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system or utility line or facility, the responsibility of the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored or left in or upon any portion of the Common Areas or any other portion of the Community. No diminution or abatement of assessments or any dues or charges shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of each Owner. The Developer intends that roads providing access to Lots within the Community shall be dedicated as public roads to the appropriate governmental entity and at the appropriate time, at the sole option of the Developer; provided, however, that certain private alleys or roadways may be retained and/or conveyed to the Association as a part of the Common Areas and the maintenance thereof shall be a Common Expense.

- (c) Right of Association to Maintain. In the event that the Developer or the Board of Directors determines that: (i) any Owner has failed or refused to discharge properly his, her or its obligations with regard to the maintenance, cleaning, repair or replacement of items for which he is responsible hereunder; or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, tenants, guests or invitees, and is not covered or paid for by insurance in whole or in part, then, in either event, the Developer or the Association, except in the event of an emergency situation, may give such Owner written notice of the Developer's or the Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have ten (10) days within which to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any owner or to comply with the provisions hereof after such notice, the Developer or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of such Owner, and said cost shall be added to and become a part of the assessment to which such Owner and his Lot are subject and shall become a lien against such Lot. In the event that the Developer undertakes such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse the Developer for the Developer's costs and expenses.

Section 5.4. Sub-Associations. Nothing contained herein shall preclude the Developer or any Sub-Developer, with the Developer's prior written consent, from establishing a Sub-Association, the purpose of which is to provide for improvement, repair and maintenance of a particular tract or section of the Community. Any assessments, rules, regulations and guidelines established by such Sub-Associations shall be in addition to and not in lieu of the covenants, conditions, restrictions, easements and assessments established in this Declaration, and to the extent there is any conflict between the covenants and restrictions of such Sub-Associations and those set forth herein, then in such event the provisions of

this Declaration shall control.

ARTICLE VI COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual General Assessments or charges for the maintenance of the Common Areas and payment of Common Expenses, including such reasonable reserves as the Association may deem necessary (2) Special Assessments for capital improvements, such assessments to be established and collected as hereinafter provided, (3) Specific Assessments as described below, and (4) Capital Assessments as described below. All assessments, together with interest, costs of collection, and reasonable attorney's fees for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with interest, costs of collection, and reasonable attorney's fees for the collection thereof, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments and charges due and unpaid, including but not limited to any late charges, interest, fines, attorneys' fees or other charges against such Lot. The Association shall respond in writing within five business days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein, if such statement is reasonably relied upon in connection with the issuance of any Mortgage on such Lot.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

No Owner may waive or otherwise exempt himself from liability for the assessments, including, by way of illustration and not limitation, by non-use of Common Area or abandonment of the Lot. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction and initial sales of Lots by Developer or any Builder shall continue, Developer or any Builder will not be obligated to pay General Assessments, Specific Assessments or Special Assessments, and Capital Assessments on any lots owned by the Developer or a Builder. On an annual basis, the Developer, may elect, but shall not be obligated, to pay the difference between the amount of assessments levied on other

Lots subject to assessments and the amount of actual expenditures by the Association.

Section 6.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners in the Community (and their respective families, guest, tenants and invitees) and for the improvement, protection, replacement, operation, and maintenance of the Common Areas and Recreational Amenities and for the provision of various forms of insurance for the Association, its property (including the dedicated common Areas and Recreational Amenities), members, directors, officers, employees and agents, and for the provision of necessary and reasonable services, including any Landscaping Services provided by the Association, for and other expenses of the Association.

Section 6.3. Budget Deficits during Class B Control Period. During the Class B Control Period, on an annual basis, the Developer may elect, but shall not be obligated, to fund any assessment for any fiscal year by payment of a subsidy. However, any Developer payments or subsidy will be conspicuously disclosed as a line item in the income portion of the common expense budget. If the Developer elects to pay a subsidy, the amount of the subsidy shown on the budget shall be an estimate only and the Developer will only be obligated to fund such subsidy to the extent of any actual operating deficit. The payment of a subsidy in one year will under no circumstances obligate the Developer to continue payment of a subsidy in future years.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Developer or other entities for the payment of some portion of the Common Expenses.

In order to fund the initial costs of operating the Association, the Board is authorized to obtain a loan from the Developer to provide for initial capitalization of the Association. Any such loan shall be interest free and shall be disclosed in the budget of the Association for the year in which it is obtained, in the financial statements, and in the books and records of the Association.

Section 6.4. General Assessments. At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a budget separately prepared as provided herein.

The General Assessment shall be levied equally against all Lots and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Lots subject to assessment on the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall send a copy of the budget and notice of the amount of the General Assessment to be levied against each Lot for the following year to be delivered to each Owner at least 30 days prior to the beginning of the fiscal year for which it is to be effective. After the termination of the Class B Control Period, such budget and assessment shall become effective unless at a meeting it is disapproved by Members representing at least seventy-five (75%) percent of the total Class A votes in the Association. During the Class B Control Period, the budget and assessment shall become effective unless at a meeting it is disapproved by Members representing at least seventy-five (75%) percent of the total Class A votes in the Association and the Developer. There shall be no obligation to call a meeting for the purpose of

considering the budget except on petition of the Members as provided for special meetings in under the Association By-Laws, which completed petition must be presented to the Board within ten days after delivery of the notice of assessments.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined, the budget in effect for the immediately preceding year shall continue for the current year. Additionally, the Board may adjust the budget during the fiscal year as it deems appropriate by delivering the adjusted budget to the Members at least 30 days before the assessment due date thereunder. Each adjusted budget shall become effective unless disapproved by the Members as provided above.

Section 6.5. Reserve Budget and Capital Contribution. Upon the termination of the Class B Control Period, the Board of Directors shall annually prepare a reserve budget which takes into account the number and nature of replaceable assets in the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual General Assessments, as appropriate, over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in this Article.

Section 6.6. Special Assessments.

- (a) Unbudgeted Expenses. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas including fixtures and personal property related thereto, or for any other purpose set forth in the By Laws of the Association. So long as the total amount of special assessments allocable to each Lot does not exceed Two Thousand Five Hundred (\$2500.00) Dollars in any one fiscal year, the Board of the Association may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation must first be approved by Members representing at least 51% of the total votes allocated to Lots which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class B Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.
- (b) Costs to Cure Non-Compliance. The Association may levy a Special Assessment against any Lot to reimburse the Association for costs incurred by the Association, including, but not limited to, attorneys' fees, in bringing the Lot into compliance with the Association Legal Documents. Such Special Assessments may be levied upon the vote of the Board and after notice to the Lot Owner.

Section 6.7. Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Lots: (a) receiving benefits, items, or services not provided to all Lots within the Property that are incurred upon request of the Owner of a Lot for specific items or services relating to the Lot; or (b) that are incurred as a consequence of the conduct of less than all Owners, their Occupants, licensees, invitees, or guests.

Section 6.8. Capital Assessments. At the time of the first sale of each Lot from the Developer or Builder to an Owner and upon each subsequent conveyance, there shall be assessed by the Association and

collected from each Owner/purchaser an initial assessment equal to the amount to be determined by the Board which amount shall not be more than the General Assessment of dues then in effect for such Lot to establish and maintain a working capital fund for the use and benefit of the Association. The Capital Fund Assessment shall be due at the time of each such conveyance and shall not be considered an advance payment of any portion of the General Assessment.

Section 6.9. Delinquent Assessments. All assessments and charges not paid on or before the due date shall be delinquent, and the Owner shall be in default. In addition to the powers set forth below for collection of unpaid assessments and charges, the Association shall be entitled to exercise all other rights and remedies provided by law and in equity to satisfy an Owner's debt.

If any assessment or charge, or any part or installment thereof, is not paid in full within ten (10) days of the due date, or such later date as may be provided by the Board of Directors:

- (a) a late charge of \$25.00, or an amount established by the Board in the rules and regulations, may be imposed without further notice or warning to the delinquent owner;
- (b) interest in the amount of 18%, or in an amount set by the Board in the rules and regulations, shall accrue from the due date;
- (c) the Board may accelerate and declare immediately due any unpaid installments of that Owner's assessments and charges. Upon acceleration, the Owner shall lose the privilege of paying such assessments and charges in installments, unless the Board otherwise reinstates such privilege in writing. If the Association has pending legal action against an Owner for unpaid assessments or charges, then no notice shall be required to accelerate unpaid installments of any annual or special assessments that come due during any fiscal year after such legal action commences, until all amounts owed are paid in full or the Board otherwise reinstates such privilege in writing; and
- (d) the Association may bring legal action to collect all sums owed under the Declaration.
- (e) If assessments or other charges, or any part thereof, remain unpaid more than 30 days after the due date, the Owner's right to vote and use any recreational facilities within the Common Areas are suspended automatically until all amounts owed are paid in full or the Board of Directors otherwise reinstates such rights in writing.
- (f) If partial payment of assessments or other charges is made, the amount received may be applied first to post-judgment attorneys' fees, costs and expenses, then to costs and attorneys' fees not reduced to a judgment, then to interest, then to late charges, then to delinquent assessments and then to current assessments. Late charges may be assessed on delinquencies that are created by the application of current payments to outstanding delinquent assessments or charges.

Section 6.10. Date of Commencement of Assessments. Assessments shall commence as to each Lot on the day on which such Lot is conveyed to a Person other than the Developer or a Builder. Neither the Developer nor a Builder who purchases a Lot for the purpose of construction of a residence and resale of a Lot and residence shall be responsible for the payment of any type of assessment; provided, however, assessments shall commence on Lots containing occupied residences that are owned by Developer or a Builder on the first day of the month following the occupancy of the Lot. The first Assessment shall be adjusted according to the number of days then remaining in that fiscal year. Subsequent assessments shall be due and payable on the first business day of the Association's fiscal year, unless provided otherwise by the Board of Directors.

Any residence constructed on a Lot that has been approved by Developer for use as a model home for marketing and sales purposes shall not be deemed to be occupied for residential purposes and shall not be subject to assessments under this Declaration whether owned by Developer or any other Person, so long

as such residence constructed on a Lot is approved for use as a model home and is not occupied for residential purposes.

Section 6.11. Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay the General Assessment on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

Section 6.12. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- (a) The grantees in conveyances made for the purposes of granting utility easements.
- (b) Owners of all open space and common properties.
- (c) Unsubdivided land and/or undeveloped residential lots owned by the Developer.
- (d) Improved lots owned and held by the Developer for resale or otherwise.

ARTICLE VII

ARCHITECTURAL STANDARDS; USE RESTRICTIONS

Section 7.1. Conformity and Approval of Structures. No structure, fence, sidewalk, wall, drive or other improvement shall be placed or altered on any Lot except in accordance with the provisions of this Declaration. Nothing in this Article shall be construed to limit the right of an Owner to remodel the interior of a dwelling. However, modifications or alterations to the interior of screened porches or patios visible from the outside a Lot shall be subject to approval.

Section 7.2. Architectural Review Board Approval. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by the ARB, the members of which need not be Members of the Association or representatives of Members and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board of Directors. The Board of Directors may establish reasonable fees to be charged by the committees on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

The ARB shall have exclusive jurisdiction for review and approval of all construction of, or modifications to, on any portion of the Property. During the Class B Control Period, the Developer may retain the right to appoint all members of the ARB, which may consist of one or more Persons, who shall serve at the Developer's discretion. There shall be no surrender of this right prior to that time except in a written instrument in a recordable form executed by the Developer. Upon the expiration or surrender of such right, the Board shall appoint the members of the ARB who shall thereafter serve and may be removed in the Board's discretion.

Refusal or approval of plans, specifications and plot plans or any of them may be based on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Developer or the ARB may deem sufficient. Neither Developer nor any member of the ARB shall be responsible or liable in any way for any defects in any plans or specifications approved by the ARB, nor for any structural defects in any work done according to such plans and specifications approved by the ARB. Further, neither Developer nor any member of the ARB shall be liable for damages to anyone submitting plans or

specifications for approval under this section, or to any owner of property affected by this Declaration by reason of mistake in judgment, negligence, or non-feasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the ARB for approval agrees, by submission of such plans and specifications, and every Owner of any Lot agrees, that he will not bring any action or suit against Developer, or any member of the ARB, to recover for any such damage. No approval of plans, location or specifications shall be construed as representing or implying that such plans, specifications or standard will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good workmanlike manner. Neither the Developer, the Association nor the ARB shall be responsible or liable for any defects in any plan or specification submitted, revised or approved under these covenants nor for any defects in construction pursuant to such plans and specifications. The property owner shall have sole responsibility for compliance with approved plans and does hereby hold the ARB and the Developer harmless for any failure thereof caused by the property owners architect or builder. Any and all costs incurred by the ARB or Association related to enforcement of ARB Guidelines or Covenants and Restrictions, including legal fees and costs, shall be the sole responsibility of the property owner in Non-Compliance with the guidelines and/or covenants.

Section 7.3. Guidelines and Procedures.

- (a) The Developer may prepare the initial design and development guidelines and application and review procedures (the "Design Guidelines") which shall be applicable to all construction activities within the Property and all modifications on or to Lots on the Property. The Design Guidelines may contain general provisions applicable to all of the Property, as well as specific provisions which vary from one portion of the Property to another depending upon the location, unique characteristics, and intended use thereof. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern to the committees in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the ARB or the Board and compliance with the Design Guidelines does not guarantee approval for any application.

Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the Developer and Board are expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines more or less restrictive. The ARB shall make the Design Guidelines available to Owners who seek to engage in development or construction within the Property.

- (b) Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed construction and modifications on Lots shall be submitted to ARB for review and approval or disapproval. In reviewing each submission, the ARB may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things. If the ARB fails to approve or to disapprove such application within 45 days after the application and all required information have been submitted, the Owner submitting the application may issue written notice, via certified mail, to the Association President, informing the President of the Owner's intent to proceed with the modification as identified in the application. Unless the Association issues a written disapproval of the application within 10 days of receipt of the Owner's notice, the approval will not be required and this subparagraph will be deemed complied with as to the items specifically identified in the application. However, even if the requirements of this Section are satisfied, nothing herein shall authorize anyone to construct or

maintain any modification that is otherwise in violation of the Association Legal Documents, or of any applicable zoning or other laws. Except as provided in this Section, no approval of construction or any modification shall be valid unless issued in writing. Owners may not rely on any verbal approval or statements from any person as the approval required for a modification, including Developer and/or members of the Board or ARB.

Section 7.4. Specific Guidelines and Restrictions. ARB approval shall be required for all construction, additions, changes, and modifications to the exterior structures and improvements on a Lot.

- (a) Exterior structures and improvements shall include, but shall not be limited to, staking, clearing, excavation, grading or other site work; installation of utility lines or drainage improvements; initial construction of any dwelling or accessory building; exterior alteration of existing improvements; basketball hoops; swing sets or similar sports and play equipment; clotheslines; garbage cans; wood piles; swimming pools; gazebos or playhouses; window air-conditioning units or fans; hot tubs; solar panels; antennas; satellite dishes or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind; hedges, walls, dog runs, animal pens, or fences of any kind, including invisible fences; artificial vegetation or sculpture; and planting or removal of landscaping materials, such list not being indicative that any particular item will be permitted at the Property. Notwithstanding the foregoing, the Developer and the Association shall regulate antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind only in strict compliance with all federal laws and regulations.
- (b) In addition to the foregoing activities requiring prior approval, the following items are strictly regulated, and the ARB shall have the right, in its sole discretion, to prohibit or restrict these items within the Property. Each Owner must strictly comply with the terms of this Section unless approval or waiver in writing is obtained from the appropriate reviewing body. The ARB may, but is not required to, adopt specific guidelines as part of the Design Guidelines or rules and regulations which further address the following items:
 - (1) Signs. No "for sale" or "for rent" signs are permitted on the Property, except with written approval of the ARB. No other sign of any kind shall be erected by an Owner or occupant without the prior written consent of the ARB, as applicable, except: (1) such signs as may be required by legal proceedings; and (2) not more than one professional security sign of such size deemed reasonable by the ARB in its discretion. Unless in compliance with this Section, no signs shall be posted or erected by any Owner or Occupant within any portion of the Property, including the Common Area, any Lot or any structure or dwelling located on the Common Area or Lot if such sign would be visible from the exterior of such structure or dwelling as determined by the ARB.

The Developer and the ARB reserve the right to prohibit signs and/or to restrict the size, content, color, lettering, design and placement of any approved signs. All authorized signs must be professionally prepared. This provision shall not apply to any entry, directional, or other signs installed by the Developer or its duly authorized agent as may be necessary or convenient for the marketing and development of the Property, including, without limitation, "for sale" signs installed by Developer.
 - (2) Tree Removal. No trees more than four inches in diameter at a point two feet above the ground shall be removed without the prior written consent of the ARB; provided, however, any trees, regardless of their diameter, that are located within 10 feet of a drainage area, a residence or a driveway, or any diseased or dead trees needing to be removed to promote the growth of other trees or for safety reasons may be removed without the prior written consent of the ARB. The ARB may adopt or impose requirements for, or condition approval of, tree removal upon the replacement of any tree removed. Approval from the ARB does not replace any governmental requirements or approvals from any governmental arborist or other

authority.

- (3) Lighting. Exterior lighting visible from a public street shall not be permitted except for: (1) approved lighting as originally installed on a Lot; (2) one approved decorative post light; (3) pathway lighting; (4) porch lighting; (5) street lights in conformity with an established street lighting program for the Property; (6) seasonal decorative lights during the usual and common season; or (7) front house illumination of model homes. All street lights shall be installed or aimed so as to minimize the potential for either a disabling glare to drivers or pedestrians or a nuisance glare to neighboring properties.
- (4) Temporary or Detached Structures. Except as may be permitted by Developer during initial construction, or the ARB thereafter, no temporary house, dwelling, garage, shed, barn or out building shall be placed or erected on any Lot. In addition, no modular home or manufactured home shall be placed, erected, constructed, or permitted in the Property. "Modular home and manufactured home" shall include, without limitation, any prefabricated or pre-build dwelling which consists of one or more transportable sections or components and shall also be deemed to include manufactured building, manufactured home, modular building, modular home, modular construction, prefabricated construction, and such other similar types of construction as determined by the ARB. The placement of prefabricated and transportable sections onto a permanent foundation and inspection of the resulting structure by the building inspector shall not exempt such structure from this prohibition. Prefabricated accessory structures, such as sheds and gazebos, are not permitted unless approved by the ARB in strict accordance this Declaration.
- (5) Utility Lines. Overhead utility lines, including lines for cable television, are not permitted except for temporary lines as required during construction and lines installed by or at the request of the Developer.
- (6) Centralized Mailbox System. A Centralized Mailbox System ("CMS") shall be constructed on a portion of the Common Area for the benefit of all Owners. Each Owner will have one mailbox unit and two (2) access keys. The Centralized Mailbox Unit keys shall be delivered to the Lot Owner upon closing of a Lot by the Developer, Builder or a member of the Board of Directors. The ARB reserves the right to approve the style, design, color and location of any CMS installation, repair, or replacement. By accepting a deed to a Lot, each Owner agrees that the ARB may remove any unapproved adornment or alteration of any mailbox unit within the CMS. Each Owner must use the CMS exclusively for the U.S. Postal Service. Owners are not permitted to install a mailbox upon any Lot.
- (7) Minimum Dwelling Size. The Design Guidelines may establish a minimum square footage of enclosed, heated and cooled living space for residential dwellings. Upon written application by the Owner, the ARB may waive the minimum square footage requirement if, in the ARB's sole discretion, the resulting appearance of such residential dwelling will preserve and conform to the overall appearance, scheme, design, value and quality within the Property.
- (8) Water Facilities. No individual water supply system shall be permitted within the Property.
- (9) Fences and Hedges, Common Fencing. All fences and hedges shall be installed in accordance with the Design Guidelines. Developer may, but has no obligation to, install fencing between, on or among one or more Lots. The fencing, if installed shall not be required to be installed on the common Lot boundary lines and the failure of the Common Fencing to be located on the boundary shall not change or impact the location of the boundary regardless of any period of existence. The boundary lines of Lots shall be and shall remain as shown on the recorded subdivision plats for the Community. An Owner may use the property located on the Owner's dwelling side of such fence, whether or not located on the Owner's Lot for any purpose allowed on other adjacent portions of the Owner's Lot, except that no permanent improvements may be constructed thereon. If Developer installs Common Fencing on portions of the Community, Developer shall have no obligation to install such fencing in all

similarly situated areas and may decline to do so at its sole discretion. Owners shall not remove, alter, paint or modify the Common Fencing in any way without obtaining prior written consent.

Section 7.5. No Waiver of Future Approvals. The approval of the ARB of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ARB, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters subsequently or additionally submitted for approval or consent.

Section 7.6. Construction Period. An Owner of a Lot must commence construction within one year of purchase of the Lot. After commencement of construction, each Owner shall diligently continue construction to complete such construction in a timely manner. The initial construction of all structures must be completed with one (1) year after commencement of construction, unless extended by the ARB in its sole discretion. All other construction shall be completed within the time limits established by the ARB at the time the project is approved by the ARB.

Section 7.7. Variance. The Board or ARB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall: (a) be effective unless in writing; (b) be contrary to the restrictions set forth in this Declaration; or (c) estop the ARB from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 7.8. Enforcement of Architectural Standards. Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Developer, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the land to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Special Assessment under this Declaration.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Property. In such event, neither the Association, its officers, nor directors shall be held liable to any Person for exercising the rights granted by this Section.

In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARB.

Section 7.9 Residential Use of Lots. Residential Use. Each Lot shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Lot or any portion of the Property, except that the Owner or Occupant residing in a dwelling on a Lot may conduct ancillary business activities within the dwelling so long as:

- (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or

- smell from outside of the dwelling;
- (b) the business activity does not involve visitation or deliveries to the Lot by employees, clients, customers, suppliers, couriers, mail carriers, or other business invitees in greater volume than would normally be expected for a Lot without business activity;
- (c) the business activity does not involve use of the Common Area, except for necessary access to and from the Lot by permitted business invitees;
- (d) the business activity is legal and conforms to all zoning requirements for the Property;
- (e) the business activity does not increase any insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; and
- (f) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other Owners or Occupants, as determined in Board of Director's discretion.

The Association shall have no liability for any business activity in the Property. The Association also has no liability for any action or omission by it, its directors, officers, agents, representatives and/or vendors, that may adversely impact an Owner's or Occupant's business activity. Each Owner and Occupant hereby releases and holds harmless the Association, its directors, officers, agents, representatives and/or vendors, for any interruption or suspension of, or any damages to, any business activities conducted on a Lot. Owners and Occupants shall obtain whatever supplemental insurance may be necessary to protect their business assets, business continuity and business interests on their Lots. The Association is not obligated to obtain any insurance coverage for any Owner's or Occupant's business activity.

The term "business," as used in this provision, shall include, without limitation, any occupation, work or activity that involves the provision of goods or services to persons other than the provider's family for a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. Business shall also include use of a Lot as an inn, a rooming house, or a boarding house and this use is specifically prohibited. This prohibition shall include the use of the Lot and/or dwelling or other structures on the Lot or a portion of the Lot or dwelling, as a short term rental, including through services such as VRBO or Airbnb. Short term rental shall mean the rental term is fewer than thirty (30) days in length. No Lot or structure shall be "time shared", nor shall any Lot or structure be owned, used or operated in violation of the statutory provisions regulating Vacation Time Sharing Plans, S.C. Code Ann Sections 27-32-10 ET SEQ., as the same may be amended from time to time, nor shall any Lot or structure be owned, used or operated so as to constitute such Lot or structure as a "time sharing unit" within the meaning of such statutory provisions.

Nothing herein shall be construed to prevent the Developer from erecting, placing or maintaining signs, structures and offices as it may deem necessary for its operation and sales or lease or management of Lots in the Community and nothing herein contained shall prevent the Developer from erecting and maintaining sales and marketing signs in Common Areas or on other property owned by the Developer.

Section 7.10. Number of Occupants. No more than two Occupants per bedroom are permitted in the dwelling, as such bedrooms are depicted on the plans for such dwelling approved by the applicable governmental agency. Upon written application, the Board of Directors shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988.

If an Owner is a corporation, limited liability company, partnership, trust or other legal entity not being a natural person, the Owner shall designate in writing to the Board the name(s) of the person(s) who will occupy the dwelling on the Lot. The designated person(s) to occupy the dwelling may not be changed more frequently than once every 12 months without the Board's written consent.

Section 7.11. Subdivision of Lots. No Lot may be subdivided into a smaller Lot without the prior written approval of the Board of Directors or the Developer. A Lot or Lots may be subdivided provided the effect is to increase the size of the adjoining Lot or Lots. In such cases, the Developer may alter the building or set-back lines to conform to the re-subdivided Lot(s). Should the Owner or Owners of any Lots and/or portions of Lots which have been combined for a single building site subsequently wish to revert to the original plan of Community, or make any other combination which would not be in violation of this restriction, that may be done only if the written consent of the Developer is first had and obtained. In such instances, the adjoining Lot Owners, or other Owners in the Community shall not have the right to pass on or interfere with such Lot rearrangement. Such rights shall be exclusively that of the Developer or any successors or assigns to whom the Developer may expressly have transferred such rights, but the purchaser of any Lot in the Community does not, by virtue of his status as a purchaser, become any such successor or assign. Notwithstanding the above, the Developer hereby expressly reserves to itself, its successors and assigns, the right to re-plat any one or more Lots owned by the Developer shown on the plat of said Community prior to delivery of the deed therefor in order to create a modified building Lot or Lots. The restrictions and covenants herein apply to each such building Lot so created or recreated.

Section 7.12. Use of Common Area. There shall be no obstruction of the Common Area, nor shall anything be kept, parked or stored on or removed from any part of the Common Area without the express written consent of the Board of Directors. The Association may remove and either discard or store any unauthorized personal property left or kept on the Common Area and the Association shall have no obligation to return, replace, or reimburse the owner for such property. The Association is not liable to any Person for any loss of, theft of, or damage to any personal property.

The Board may allow an Owner or Occupant to temporarily reserve portions of the Common Area. Such Owner or Occupant, on behalf of himself or herself and his or her guests and family, assumes all risks associated with such use of the Common Area and all liability for any damage or injury to any person or property as a result of such use. The Association shall not be liable for any damage or injury resulting from such use.

Section 7.13. Prohibition of Damage and Illegal Conduct. Without prior written consent of the Board of Directors, nothing shall be done or kept in the Property which would increase the Common Expenses, damage the Common Area, or be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body. Noxious, destructive, offensive, hazardous, or unsanitary activity shall not be carried on in the Property.

Section 7.14. Firearms. The display or discharge of firearms on the Common Area is prohibited, except: (1) by law enforcement officers; or (2) to transport lawful firearms across the Common Area to or from a Lot. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types.

Section 7.15. Pets. No Owner or Occupant may keep any animals other than a reasonable number of generally recognized household pets in the Property, as determined in the sole discretion of the Board of Directors. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose in the Property. Pets may not be left unattended outdoors. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors in areas that are not fully enclosed by a fence. Feces left by pets on the Common Area or on any Lot must be removed promptly by the owner of the pet or the person responsible for the pet.

No potbellied pigs are permitted in the Property. No animals that the Board determines to be dangerous may be brought onto or kept in the Property. If the Board determines that an Owner's or Occupant's pet endangers any person or other pet or creates a nuisance or unreasonable disturbance in the Property, the Board may require that the pet be permanently removed from the Property upon seven days' written notice to such Owner or Occupant. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet and/or obtain a court order requiring the Owner or Occupant to do so. Notwithstanding the above, the Board may remove any pet without prior notice to the pet's owner if, in the Board's sole discretion, the pet presents an immediate danger to health, safety or property in the Property.

Any Owner or Occupant who keeps or maintains any pet in the Property agrees to indemnify and hereby holds harmless the Association, its directors, officers, and agents, from any loss, damage, claim or liability of any kind or character whatsoever related to such pet. The Board may establish additional rules regarding pets in the Property, which may include restrictions on the breeds, number and/or size of permitted pets.

Section 7.16. Vehicles; Parking. No Owner or Occupant may keep or bring into the Property more than a reasonable number of vehicles per Lot, as determined in the sole discretion of the Board of Directors. Vehicles may only be parked in garages, driveways on Lots, designated parking spaces, or other areas authorized in writing by the Board. Vehicles may not be parked on any grass or landscaped areas on Lots or Common Area. No more than 2 vehicles may be parked on a driveway unless with written Board approval.

Disabled and stored vehicles are prohibited from being parked in the Property, except in garages. For purposes of this Section, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains in the Property, other than in a garage, for 14 consecutive days or longer without prior written consent of the Board.

Boats, jet-skis, trailers, buses, taxis, hearses, limousines, recreational vehicles, motor homes, campers, panel trucks, trucks with a cargo-load capacity of one ton or more, full-size vans (excluding vans used by handicapped persons, mini-vans or sport utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the South Carolina Department of Motor Vehicles), vehicles containing visible evidence of commercial use (such as tool boxes, tool racks, ladders, ladder racks or tow winches), and vehicles with commercial writings on their exteriors (except for law enforcement vehicles marked as such) are also prohibited from being parked in the Property, except: (1) in garages or as otherwise approved by the Board; or (2), in the case of service vehicles, on a temporary basis during daytime business hours or during emergencies for the purpose of serving a Lot. The Board may establish additional rules regarding vehicles and parking in the Property, which may include restrictions on the number of vehicles which may be parked in the Property.

If any vehicle is parked in the Property in violation of this Section or the Association's rules, the Board or agent of the Association may tow or boot the vehicle after 24 hours written notice. Such notice shall: (1) be placed on the vehicle; (2) specify the nature of the violation; (3) warn of possible towing or booting; and (4) state the name and telephone number of a person to contact regarding the violation. If 24 hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six months of such notice, the Board or agent of the Association may have the vehicle towed or booted in accordance with the original notice and without further notice. If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or Occupant's Lot or dwelling, is obstructing the flow of traffic, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed or booted immediately.

The Association has no liability for any towing or booting in accordance with this Section. Each Owner and Occupant hereby releases and holds harmless the Association, its directors, officers, agents and representatives, for any claim or damage from any such towing or booting. The Association's right to tow or boot is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines.

The Association shall have the authority to prohibit the use of non-muffled motorcycles in the Community.

Section 7.17. Rubbish and Trash. Owners and Occupants shall regularly remove all rubbish, trash, and materials for recycling from the Lot. No rubbish, trash, or materials for recycling shall be placed on the Common Area, except as provided herein. Rubbish, trash, and materials for recycling shall be disposed of in appropriate sealed bags and placed in proper receptacles for collection. The Board may establish additional rules regarding placement of trash cans for pick-up and/or storage, including requiring trash removal in the Property from a single vendor and establishing schedules for trash can placement and trash pickup.

Section 7.18. Unightly or Unkempt Conditions. Owners and Occupants are prohibited from engaging in activities which cause disorderly, unsightly or unkempt conditions on the Common Area or outside of a dwelling in the Property, such as the assembly and disassembly of motor vehicles and other mechanical devices. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the dwelling. Only appropriate outdoor items, such as neatly stacked firewood, potted plants, patio furniture and grills may be kept outside the dwelling on any Lot. Owners and Occupants shall maintain such items in a neat and attractive condition, as determined in the Board's sole discretion.

Section 7.19. Yard Sales. No yard sale, garage sale, flea market or similar activity shall be conducted in the Property without the prior written consent of the Board of Directors and subject to all reasonable conditions that the Board may impose. However, Owners and Occupants may conduct estate sales or similar sales entirely within their dwellings not more than once in any 12 month period.

Section 7.20. Garages. If garage space is available, Owners and Occupants should park their cars and other motor vehicles in the garage before parking in the driveway. Garage doors also should remain closed when not in use for ingress, egress, or garage use, or when the Owner or Occupant is not outside on the Lot. Garage conversions are prohibited. The Board may establish additional rules regarding garages.

Section 7.21 Window Treatments. Unless otherwise approved in writing by the Board of Directors, all windows on a dwelling on a Lot which are exposed to a street or another dwelling shall have customary and appropriate window treatments. The Board may establish additional rules regarding window treatments, such as requirements for the location, type and exterior color of window treatments.

Section 7.22. Antennas and Satellite Dishes. Except as provided below or otherwise approved by the Board of Directors, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors in any portion of the Property. Direct broadcast satellite ("DBS") antennas and multi-channel multi-point distribution services ("MMDS") one meter or less in diameter and television broadcast service antennas may be installed in accordance with rules and regulations of the Federal Communication

Commission ("FCC") and the Association. Any such devices shall be installed in the least conspicuous location available on the Lot that permits reception of an acceptable quality signal.

Section 7.23. Playground Equipment. No jungle gyms, swing sets, or similar playground equipment shall be erected or installed on any Lot without prior written approval of the ARB. Any playground or other play areas or equipment furnished by the Association or erected within the Property shall be used at the risk of the user. The Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

Section 7.24. Pools. No above-ground swimming pools shall be erected, constructed or installed on any Lot. Jacuzzis, whirlpools, or spas approved by the ARB shall not be considered an above-ground pool for the purposes of this Section.

Section 7.25. Fences. No hedges, walls, dog runs, animal pens, or fences of any kind shall be permitted on any Lot except as approved by the ARB.

Section 7.26. Artificial Lakes, Exterior Sculpture, and Similar Items. No artificial vegetation or permanent flagpoles shall be permitted on the exterior of any portion of the Property. No exterior sculpture, fountains, flags and temporary flagpoles, birdhouses, birdbaths, other decorative embellishments, or similar items shall be permitted unless approved by the ARB; provided, however, the American flag will be allowed subject to reasonable restrictions as established by the ARB.

Section 7.27. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. Each Owner and Occupant shall ensure that any drainage grating and/or headwalls on the Owner's Lot are clear of obstruction and debris. Furthermore, no Owner or Occupant may obstruct or rechannel the drainage flows across the Owner's Lot.

Section 7.28. Erosion Control; Contamination. No Owner or Occupant shall engage in any activity which creates erosion or siltation problems or causes contamination of or damage to any stream, water course or any other Lot in the Property. Each Owner and Occupant shall be liable for all damages and restoration costs resulting from such unauthorized activity.

Section 7.29. Impairment of Easements. No Owner or Occupant shall impair any easement existing in the Property, or do any act or allow any condition to exist which will adversely affect the other Lots or their Owners or Occupants.

Section 7.30. Sight Distance at Intersections. All property located at street intersections shall be landscaped and kept so as to permit safe sight across the street corners. No vehicle, fence, wall, hedge, shrub, tree or other landscaping shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 7.31. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Property shall be installed, constructed, or operated within the Property. However, the Developer and the Association shall have the right to draw water from such sources for the purpose of irrigating the Area of Common Responsibility. All sprinkler and irrigation systems serving Lots shall draw upon public water supplies only and shall be subject to approval by the ARB.

Section 7.32. Grading, Drainage and Septic Systems. No Person shall alter the grading of any Lot without prior approval pursuant to this Declaration. Catch basins and drainage areas are for the purpose of natural

flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Developer may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. The Developer hereby reserves for itself and the Association a perpetual easement across the Property for the purpose of altering drainage and water flow. However, the exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent. Septic tanks and drain fields, other than those installed by or with the consent of the Developer, are prohibited within the Property.

Section 7.33. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ARB. No windmills, wind generators, or other apparatus for generating power from the wind shall be erected or installed on any Lot.

Section 7.34. On-Site Fuel Storage. No on-site storage of gasoline, heating, or other fuels shall be permitted on any part of the Property. However, up to five gallons of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment.

Section 7.35. Water and Mineral Operations. No oil or water drilling, oil or water development operations, oil refining, quarrying, or mining operations of any kind shall be permitted on any Lot. No derrick or other structure designed for use in boring for water, oil, natural gas, or other minerals shall be erected and maintained or permitted on any Lot.

Section 7.36. Laws and Ordinances. Every Owner and Occupant of any Lot, their guests and invitees, shall comply with all laws, statutes, ordinances, and rules of federal, state, and municipal governments applicable to the Property. Any violation may be considered a violation of this Declaration. However, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances, and rules.

Section 7.37. Association Office. Nothing in this Declaration shall be construed to prohibit the Association from constructing, operating and maintaining a facility for use as its office and headquarters, for the benefit of the Association and its members, provided that such facility shall first be approved in all respects in writing by the Developer.

Section 7.38. Landscaping. The Developer and Association have the right to reasonably restrict the placement of landscaping, fences or other impediments to the enjoyment of views from and of adjoining Common Areas. Common Area landscape may not be modified, supplemented or altered in any manner without the written approval of the Association and the ARB. Although landscape on private property may be modified or supplemented, it is subject to regulation and approval by the ARB.

Section 7.39. Leasing of Lot. For purposes of this Section, "Leasing" shall mean the regular, exclusive occupancy of a Lot by a person other than the Owner for which the Owner receives any direct or indirect monetary or economic benefit. The occupancy of a dwelling on a Lot by a roommate of an Owner then occupying the dwelling shall not constitute Leasing. In order to preserve the character of the Community, leasing of Lots shall be restricted. Lots and dwellings thereon may be rented for residential purposes only for rental periods of not less than six (6) months and shall be restricted to residential use not to exceed one family occupying the dwelling. An Owner wishing to lease said Owner's lot shall apply to the Board in writing for a permit to do so. All leasing permits shall be valid only as to a specific Owner and Lot and shall not be transferable between either Lots or Owners (including a subsequent Owner of a Lot where a permit was issued to the Owner's predecessor in title). An Owner's request for a leasing permit shall be

approved if current, outstanding leasing permits have not been issued for more than 25% of the total Lots in the Community. A leasing permit shall be automatically revoked upon the sale or transfer of the Lot to a third party (excluding sales or transfers to (a) an Owner's spouse, (b) a person cohabiting with the Owner, or (c) a corporation, partnership, company, or legal entity in which the Owner is a principal). Owners who have been denied a leasing permit shall automatically be placed on a waiting list for a leasing permit and shall be issued the same if they so desire when the number of current outstanding leasing permits issued falls to 25% or less of the total Lots in the Community. Leases must comply with the terms of this Declaration and must be provided to the Board within ten (10) days of execution. Owner must provide Tenant with copies of all Association Legal Documents. Tenants are subject to the same By-Laws, Rules, Regulations and Covenants & Restrictions as the Owner. The Owner shall have the responsibility of tenant compliance with the Declaration and By-Laws.

Section 7.40. Community of Lot: Easements and Encroachments. No Lot shall be subdivided except as provided in this Declaration and no building or residence, including porches or projections of any kind, shall be erected so as to extend over or across any of the building lines as established. Provided, however, if any portion of any Common Area unintentionally encroaches upon a Lot or any part thereof, whether by settlement or otherwise, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of improvements to a Lot or Lots encroaches upon the Common Area or any portion thereof, whether by settlement or otherwise, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist.

In the event any improvement or part thereof is partially or totally destroyed and then rebuilt, any encroachment of any Common Area upon a Lot or Lots or encroachment of a Lot or Lots upon any Common Area or upon an adjoining Lot or Lots resulting because of such rebuilding, shall be permitted, and a valid easement shall exist for the maintenance of such encroachments so long as the same stand. Such encroachments and easements shall not be considered or determined to be encumbrances either on any Common Area or any Lot or Lots, and no Owner shall be entitled to damages or injunctive relief because of the construction, re-construction or maintenance thereof.

ARTICLE VIII MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Property. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

Section 8.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of: (a) Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder; (b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Lot or the Owner or Occupant which is not cured within 60 days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice upon request from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or By-Laws which is not cured within 60 days; (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or (d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

Section 8.2. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 8.3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 8.4. Applicability of Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Association Legal Documents.

Section 8.5. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Section 8.6. FHA/VA Approval. As long as there is a Class B membership, the following actions shall require the prior approval of the Federal Housing Administration or the Veterans Administration, if either such agency is insuring or guaranteeing the Mortgage on any Lot: dedication of Common Area, mortgaging of Common Area, or material amendment of this Declaration as applicable to Mortgages on Lots.

ARTICLE IX AUTHORITY AND ENFORCEMENT

Section 9.1. Compliance with Association Legal Documents. All Owners, Occupants and their guests shall comply with the Association Legal Documents. The Association, and in an appropriate case, one or more aggrieved Owners, may take action to enforce the terms of the Association Legal Documents directly against all violating Persons. However, if an Owner's family member, guest or Occupant violates the Association Legal Documents, the Association, in its sole discretion, is permitted to enforce the terms of the Association Legal Documents against: (1) only the Owner; (2) only the violating family member, guest or Occupant; or (3) both the Owner and the violating family member, guest or Occupant. Notwithstanding anything herein to the contrary, the Owner of the Lot is always ultimately responsible for his or her own actions and the actions of all family members, Occupants and guests of such Lot.

Nothing herein shall be construed to affect the rights of an aggrieved Owner or Occupant to proceed independently for relief from interference with his or her personal or property rights against a Person violating the Association Legal Documents. The Board of Directors may, in its discretion, require the aggrieved Owner or Occupant to independently pursue all available remedies under South Carolina law against the Violator before the Association intervenes and commences enforcement action against such Violator.

Section 9.2. Types of Enforcement Actions. In the event of a violation of the Association Legal Documents, the Association shall have the power to take any or all of the following actions separately or simultaneously; provided, however, all suspensions and fines shall comply with the procedures described below and nothing herein shall authorize the Association or the Board to deny ingress and egress to or from a Lot:

- (a) Suspend all Violators' rights to use the Common Area;
- (b) Suspend the voting rights of a violating Owner;
- (c) Impose reasonable fines against all Violators, which shall constitute a lien on the violating Owner's Lot;
- (d) Use self-help to remedy the violation;
- (e) Bring an action for permanent injunction, temporary injunction and/or specific performance to compel the Violator to cease and/or correct the violation; and
- (f) Record in the Charleston County land records a notice of violation identifying any uncured violation of the Association Legal Documents regarding the Lot.

Section 9.3. Suspension and Fining Procedure. Except as provided below, before imposing fines or suspending right to use the Common Area or the right to vote, the Association shall give a written violation notice to the Violator as provided below.

- (a) Violation Notice. If required, the written violation notice to the violator shall:
 - (i) Identify the violation, suspension(s) and/or fine(s) being imposed; and
 - (ii) Advise the Violator of the right to request a violation hearing before the Board of Directors to contest the violation or request reconsideration suspension(s) or the fine(s).

Notwithstanding the Violator's right to request a violation hearing, suspension(s) and/or fine(s) shall commence on the date of the written violation notice, unless a later date is specified in such notice.

- (b) Violation Hearing. If the Violator submits a written request for a violation hearing within 10 days of the date of the violation notice described above, then the Board of Directors shall schedule and hold, in executive session, a violation hearing. If a Violator fails to timely request a violation hearing, such violator loses the right to contest the violation and request reconsideration of the suspension(s) and/or the fine(s). If a Violator timely requests a violation hearing, the Violator shall have a reasonable opportunity to address the Board regarding the violation; provided, however, the Board may establish rules of conduct for the violation hearing, including but not limited to, limits on the amount of time one person can speak and limits on the number of participants who may be present at one time. The minutes of the violation hearing shall contain a written statement of the results of such hearing.
- (c) No Violation Notice and Hearing Required. No violation notice or violation hearing shall be required to:
 - (i) impose late charges on delinquent assessments;
 - (ii) suspend a violating Owner's voting rights if the Violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the violating Owner's right to vote shall be automatic and shall continue until the violation no longer exists or the Board of Directors otherwise reinstates such rights in writing;
 - (iii) suspend a Violator's right to use the Common Area if the violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the violator's right to use the Common Area shall be automatic (which shall allow the Association to tow and/or boot a violator's vehicle located on the Common Area without complying with the Suspension and Fining Procedures described above);
 - (iv) engage in self-help in an emergency;
 - (v) impose fines for each day of a continuing violation, in which case, each day the violation continues or occurs again constitutes a separate violation and fine(s) may be imposed on a per diem basis without any further notice to the Violator; or
 - (vi) impose fines if the same violation occurs again on the same Lot, in which case fine(s) may be imposed on a per diem basis without any further notice to the Violator.

Section 9.4. Self-Help. In addition to all other enforcement rights granted herein, the Board of Directors may elect to enforce any provision of the Association Legal Documents by self-help without the necessity for compliance with the Suspension and Fining Procedures described above.

By way of example and not limitation, the Association or its duly authorized agent shall have the authority to tow vehicles that are in violation of parking regulations and enter a Lot or any portion of the Common Area to abate or remove any structure, thing or condition that violates the Association Legal Documents. Unless a different notice period is provided for in this Declaration and unless an emergency exists, before exercising self-help, the Association shall give the Violator at least two days prior written notice. Such notice shall request that the Violator remove and abate the violation and restore the Lot to substantially the same condition that existed prior to the structure, thing or condition being placed on the Lot and causing the violation. Such removal, abatement and restoration shall be accomplished at the violator's sole cost and expense. If the same violation occurs again on the same Lot, the Association may exercise self-help without any further notice to the violator.

Section 9.5. Injunctions and Other Suits at Law or in Equity. All Owners agree and acknowledge that there may not be adequate remedies at law to enforce the Association Legal Documents. Therefore, in addition to all other enforcement rights granted herein, the Association is hereby entitled to bring an action for permanent injunction, temporary injunction and/or specific performance to compel a Violator to cease and desist and/or correct any violation, and to recover its attorneys' fees actually incurred in such action if it substantially prevails.

Section 9.6. Costs and Attorneys' Fees for Enforcement Actions. In any action taken by the Association to enforce the Association Legal Documents, the Association shall be entitled to recover from the Violator, any and all costs incurred by the Association, including but not limited to attorneys' fees actually incurred, all of which shall constitute a lien against the violating Owner's Lot.

Section 9.7. Failure to Enforce. The Board of Directors has the sole discretion to decide which, if any, enforcement action to pursue against each Violator. The failure of the Board to enforce any provision of the Association Legal Documents shall not be deemed a waiver of the right of the Board to do so thereafter. No right of action shall exist against the Association for failure to enforce if the Board of Directors determines that:

- (a) the Association's position is not strong enough to justify taking enforcement action;
- (b) a particular violation is not of such a material nature as to be objectionable to a reasonable person;
- (c) a particular violation is not of such a material nature to justify the expense and resources to pursue or continue to pursue enforcement action;
- (d) the aggrieved Owner or Occupant asserting a failure of enforcement has not independently pursued all available individual remedies under South Carolina law; or
- (e) the Association enforces only against an Owner for the violation of the Owner's family member, guest or Occupant or the Association does not enforce against the Owner and enforces only against the violating family member, guest or Occupant.

ARTICLE X GENERAL PROVISIONS

Section 10.1. Severability. Invalidation of any covenants or restrictions or any term, phrase or clause of this Declaration by the adjudication of any court or tribunal shall in no way effect the other provisions

hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 10.2. Duration. The Covenants and Restrictions of this Declaration shall run with and bind the property constituting the Community, and shall inure to the benefit of and be enforceable by the Developer, the Association, or any Owner for a period of twenty (20) years from the date hereof and thereafter shall continue automatically in effect for additional periods of ten (10) years, unless unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein

Section 10.3. Assignment. The Developer shall have the right to assign to any one or more persons, firms, corporations, partnerships, or associations any and all rights, powers, titles, easements and estates reserved or given to the Developer in this Declaration.

Section 10.4. Amendments.

- (a) By Developer. Until termination of the Class B membership, Developer may unilaterally amend this Declaration for any purpose. Thereafter, the Developer may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots; or (v) otherwise necessary to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing. So long as the Developer still owns property described in Exhibit "A" for development as part of the Property, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.
- (b) By Owners. Thereafter and otherwise except where a higher vote is required for action under any other provision of this Declaration, the Declaration may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members of the Association holding 66-2/3% of the total eligible vote thereof provided, however, that during any period in which Developer owns a Lot primarily for the purpose of sale, such amendment must be approved by Developer. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. The agreement of the required percentage of the Owners and, where required, Developer and any Mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment; or, in the alternative, the sworn statement of the president of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the office of the Register of Deeds for Charleston County, South Carolina.

Section 10.5. Other Associations. So long as Developer, its successors or assigns, owns an unsold Lot in the Community, it shall have the right to merge the Association with other associations governing the use

and control of other property in the Community.

Section 10.6. No Dedication of Common Areas, Etc. Every park, stream, body of water, Common Area, Recreational Amenity, and other amenity within the Community is a private park, facility or amenity and neither the Developer's recording or any such plat nor any other act of the Developer with respect to the Property is, or is intended to be, or shall be construed, as a dedication to the public of any said parks, Common Areas, recreational facilities and amenities other than what's reflected therein. An easement for the use and enjoyment of each of said areas designated as parks is reserved to the Developer, its successors and assigns; to the persons who are, from time to time, members of the Association; to the members and Owners of any recreational facility; and to the residents, tenants, and all other kinds of residential structures that may be erected within the boundaries of the Property and to the invitees of all the aforementioned persons; the use of which shall be subject to such rules and regulations as may be prescribed by the Association, if the Association is the Owner of the facility or Property involved.

Section 10.7. Time is of the Essence. It is agreed that time is of the essence with regard to these restrictions, covenants, limitations and conditions.

Section 10.8. Rule Against Perpetuities, Etc. The Developer herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself. In the event that any of the provisions hereof are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event such term shall be reduced to a period of time which shall not violate the rule against perpetuities or any other law of the State of South Carolina and such provision shall be fully effective for said reduced period of time.

*REMAINDER OF PAGE INTENTIONALLY BLANK.
SIGNATURE PAGE FOLLOWS.*

WITNESS the execution hereof this 8th day of MARCH, 2019.

Snee Farm Village, LLC, a South Carolina limited liability company

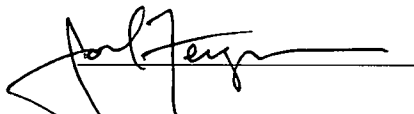
By: Snee Farm, LLC, a Georgia limited liability company

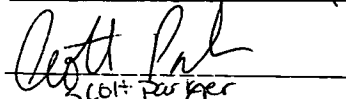
Its: Member

By: Brightwater Homes, LLC

Its: Sole Manager

WITNESSES:


JOEL FERGUSON

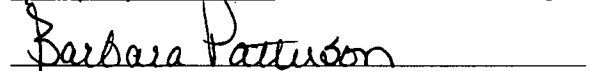

By: Kelly Charles Bostwick

STATE OF Georgia

COUNTY OF Fayette

ACKNOWLEDGMENT

I, Barbara Patterson, the undersigned Notary Public, hereby certify that Kelly Charles Bostwick as Manager of Brightwater Homes, LLC, the Sole Manager of Snee Farm, LLC, a Georgia limited liability company, as member of Snee Farm Village, LLC, a South Carolina limited liability company, who is personally known to me, appeared before me this 8th day of March, 2019, and acknowledged the due execution of the foregoing instrument.


Signature of Notary

Printed name: Barbara Patterson

Notary Public for Fayette County, GA

My Commission Expires: March 12, 2021

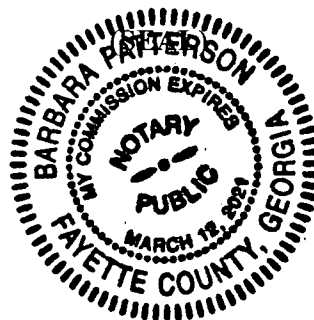


Exhibit A
Legal Description

All those certain pieces, parcels, or lots of land, situate, lying, and being in the Town of Mount Pleasant, Charleston County, South Carolina, known as LOTS 1 through 30, P.O.A. AREA 1, P.O.A. AREA 2, P.O.A. AREA 3, P.O.A. AREA 4, P.O.A. AREA 5, CINDER STREET PUBLIC 25' R/W, CLUB DRIVE PUBLIC 43' R/W, POPLAR TREE DRIVE PUBLIC 25' R/W, PEACH BASKET LANE PUBLIC 25' R/W, ASPEN DRIVE PUBLIC 25' R/W, WELCOME DRIVE PUBLIC 25' R/W, and MACEO ALLEY 20' PRIVATE ACCESS EASEMENT, as shown on a PLAT ENTITLED: "A FINAL SUBDIVISION PLAT OF SNEE FARM VILLAGE PARCEL 4-A SNEE FARM SUBDIVISION OWNED BY SNEE FARM VILLAGE, LLC LOCATED IN THE TOWN OF MOUNT PLEASANT CHARLESTON COUNTY, SOUTH CAROLINA" dated May 30, 2018, last revised October 30, 2018, prepared by Philip R. Bryan, Jr., SCPLS No. 28597, of Seamon, Whiteside & Associates Surveying, LLC, and duly recorded on March 1, 2019, in the ROD Office for Charleston County, South Carolina in Plat Book L19 at page 0086-0089

Being the same property conveyed to Grantor by deed from Brightwater Homes, LLC, duly recorded on August 15, 2017, in the ROD Office for Charleston County, South Carolina, in Book 0659 at Page 823, and by Deed of JKM Holdings South Carolina, LLC, dated September 8, 2016, recorded on September 9, 2016, in Book 0582 at Page 042 and rerecorded on October 14, 2016, in Book 0589 at Page 716.

**STATE OF SOUTH CAROLINA
SECRETARY OF STATE****ARTICLES OF INCORPORATION
Nonprofit Corporation – Domestic
Filing Fee \$25.00**

Pursuant to S.C. Code of Laws Section 33-31-202 of the 1976 S.C. Code of Laws, as amended, the undersigned corporation submits the following information

1. The name of the nonprofit corporation is

Snee Farm Village Homeowners Association, Inc.

2. The initial registered office (registered agent's address in SC) of the nonprofit corporation is
3022 S. Morgan Point Rd. Ste 278

(Street Address)

Mt. Pleasant, South Carolina 29466

(City, State, Zip Code)

The name of the registered agent of the nonprofit corporation at that office is

James Huffman

(Name)

I hereby consent to the appointment as registered agent of the corporation.

(Agent's Signature)

3. Check "a", "b", or "c", whichever is applicable. Check only one box.

- a. ☐ The nonprofit corporation is a public benefit corporation.
b. ☐ The nonprofit corporation is a religious corporation.
c. ☒ The nonprofit corporation is a mutual benefit corporation.

4. Check "a" or "b" whichever is applicable

- a. ☒ This corporation will have members.
b. ☐ This corporation will not have members.

5. The principal office of the nonprofit corporation is
227 Sandy Springs Place, Ste 110

(Street Address)

Sandy Springs, Georgia 30328

(City, State, Zip Code)

Snee Farm Village Homeowners Association, Inc.

Name of Corporation

6. If this nonprofit corporation is either a **public benefit** or **religious corporation** complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation. **If you are going to apply for 501(c)(3) status, you must complete section "a".**

a.

☐

Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

☐

If you choose to name a specific 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

OR

b.

☐

If the dissolved corporation is not described in Section 501(c)(3) of the Internal Code, upon dissolution of the corporation, the assets shall be distributed to one or more public benefit or religious corporation or to one or more of the entities described in (a) above.

☐

If you chose to name a specific public benefit, religious corporation or 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

7. If the corporation is mutual benefit corporation complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

a.

☒

Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b.

☐

Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows [See S.C. Code of Laws Section 33-31-202(c)].

Snee Farm Village Homeowners Association, Inc.

Name of Corporation

9. The name and address of each incorporator is as follows (**only one is required, but you may have more than one**).

Charlie Bostwick

(Name)

227 Sandy Springs Place Ste 110

(Business Address)

Sandy Springs, Georgia 30328

(City, State, Zip Code)

(Name)

(Business Address)

(City, State, Zip Code)

(Name)

(Business Address)

(City, State, Zip Code)

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles.

(Name – only if names in articles)

(Signature of Director)

(Name – only if names in articles)

(Signature of Director)

(Name – only if names in articles)

(Signature of Director)

Snee Farm Village Homeowners Association, Inc.

Name of Corporation

11. Each incorporator listed in #9 must sign the articles

Signed as Filer: Amy M. Haines

(Signature of Incorporator)

(Signature of Incorporator)

(Signature of Incorporator)

12. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is:

Business Name: Snee Farm Village Homeowners Association, Inc.

Signature Page for a Secretary of State Business Filing

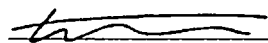
This page must be completed, scanned, and attached to any business filing where one of the following is true.

- The filing party signs the digital form on behalf of official signee.
- An attorney's signature is required. (Articles of Incorporation for Corporation and Benefit Corporation)

Official Signatures

(Officer, Incorporator, Director, Agent, Partner, etc) -

Required for forms where the signee is not present upon online submission and a filing party is providing a digital signing on their behalf. If the provided space is not enough, please attach multiple pages.

<u>Charlie Bostwick</u>	<u>12/14/2018</u>
Name	Date
	<u>incorporator</u>
Signature	Title / Position
 <u></u>	 <u></u>
Name	Date
 <u></u>	 <u></u>
Signature	Title / Position
 <u></u>	 <u></u>
Name	Date
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Signature	Title / Position
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Name	Date
 <u></u>	 <u></u>
Signature	Title / Position

Scan and Upload this document to the Business Filing System during the filing process.
File must be PDF format.

EXHIBIT C

**BY-LAWS
OF
SNEE FARM VILLAGE HOMEOWNERS ASSOCIATION, INC.**

1. GENERAL PROVISIONS

A. Applicability.

These are the By-Laws of Snee Farm Village Homeowners Association, Inc., a nonprofit corporation organized under the laws of the State of South Carolina (hereinafter called "the Association"), which shall be organized for the purpose of administering Snee Farm Village (the "Community"), a planned development or Community. The Community is identified by the name Snee Farm Village and is located in Charleston County, South Carolina, as more particularly described in the Declaration of Covenants and Restrictions for the Community, to which these By-Laws are attached as an exhibit (the "Declaration"). The Developer of the Community is Snee Farm Village, LLC, its successors and assigns and the Declarant of the Declaration (the "Developer").

The provisions of these By-Laws are applicable to any and all land subject to the Declaration, and the terms and provisions of these By-Laws are expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Declaration. The terms and provisions of the Declaration shall be controlling wherever and whenever they are or may be in conflict with these By-Laws.

All present or future co-owners, tenants, future tenants, or their employees, invitees, licensees, or any other person that might use the lands of the Community, or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in the Declaration, as either, or both, may be amended or supplemented from time to time.

B. Name.

The name of the corporation is Snee Farm Village Homeowners Association, Inc. ("Association").

C. Definitions.

The terms used herein shall have their generally accepted meanings or the meanings specified in the Declaration.

D. Membership.

An Owner of a Lot shall automatically become a member of the Association upon taking title to the Lot and shall remain a member for the entire period of ownership. An Owner's spouse may exercise any of the membership powers and privileges of the Owner. If more than one Person holds title to a Lot, the membership shall be shared in the same proportion as the title, but there shall be only one membership and one vote per Lot. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Lot and shall be transferred automatically by conveyance of the Lot. Membership may be transferred only in connection with the transfer of the Lot. The foregoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an owner's membership in the Association.

E. Entity Members.

If an Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director or other designated agent of such corporation, manager or member of such limited liability company, partner of such partnership, beneficiary or other designated agent of such trust, or representative of such other legal entity shall be eligible to represent such entity in the affairs of the Association, including, without limitation, serving on the Association's Board of Directors. Such person's relationship with the Association, and any office or directorship held, shall terminate automatically upon the termination of such person's relationship with the entity that is the Owner of the Lot. Termination of the person's relationship with the Association will create a vacancy in any elected or appointed position within the Association in which such person may have been serving and such vacancy may be filled in accordance with these Bylaws.

F. Voting.

Excepting any Class B voting rights granted or reserved by the Developer in the Declaration, each Lot shall be entitled to one vote, which vote may be cast by the Owner. When more than one Person owns a Lot, the vote for such Lot shall be exercised as they determine between or among themselves. In no event shall more than one vote be cast with respect to any Lot. If only one Co-Owner or only an Owner's spouse attempts to cast the vote for a Lot, it shall be conclusively presumed that such vote is authorized for the Lot. If the co-Owners or an Owner and his or her spouse disagree about how to cast the Lot's vote, and two or more of them attempt to cast the Lot's vote, such Persons shall not be recognized and such votes shall not be counted.

If a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, if any Owner or Occupant of the Lot is in violation of the Association Legal Documents, or if the voting rights for such Lot have been suspended, the Owner of such Lot shall not be eligible to: (1) vote, either in person or by proxy; (2) act as proxy for any other Owner; (3) issue a written ballot or written consent; (4) be elected to the Board of Directors; or (5) vote as a Director (if serving on the Board of Directors). In establishing the total number of eligible votes for a quorum, a majority, or any other purposes, such Lot shall not be counted as an eligible vote.

G. Electronic Communications.

(1) Records and Signatures.

Whenever the Association Legal Documents require that a document, record or instrument be "written" or "in writing," the requirement is deemed satisfied by an electronic record if the Board of Directors has affirmatively published regulations permitting an electronic record or document as a substitute for a written item.

Whenever the Association Legal Documents require a signature on a document, record or instrument, an electronic signature satisfies that requirement only if: (a) the Board of Directors has affirmatively published regulations permitting an electronic signature as a substitute for a written signature; and (b) the electronic signature is easily recognizable as a secure electronic signature which is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (c) the Board of Directors reasonably believes that the signatory affixed the electronic signature with the intent to sign the electronic document, and that the electronic document has not been modified since the signature was affixed.

(2) Verification and Liability for Falsification.

The Board of Directors may require reasonable verification of any electronic signature, document, record or instrument. Absent or pending verification, the Board may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not clearly authentic. Neither the Board of Directors nor the Association shall be liable to any Owner or any other Person for accepting

or acting in reliance upon an electronic signature or electronic record that the Board reasonably believes to be authentic, or rejecting any such item which the Board reasonably believes not to be authentic. Any Owner or Person who negligently, recklessly or intentionally submits any falsified electronic record or unauthorized electronic signature shall fully indemnify the Association for actual damages, reasonable attorneys' fees actually incurred and expenses incurred as a result of such acts.

2. MEMBERSHIP MEETINGS AND ACTIONS

A. Annual Meetings.

An annual or special meeting shall be held within 18 months from the date the Declaration is recorded. Annual meetings shall be set by the Board to occur during the fourth quarter of the Association's fiscal year, with the date, time, and location to be set by the Board of Directors. No annual membership meeting shall be set on a legal holiday.

B. Special Meetings.

Special membership meetings may be called for any proper and lawful purposes at any time by the President, by a majority of the Board of Directors, or upon written petition of those entitled to vote 25% of all votes of the Class A Membership votes. Any such written petition by the Owners must identify the special meeting purpose and must be for a purpose on which the Association membership is authorized to act under these Bylaws or the Declaration. The petition, with original signatures, must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of Owners have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special membership meeting for all lawful purposes stated in the petition, at a date, time and location selected by the President. The Secretary shall send notice of such special membership meeting in accordance with these Bylaws within 30 days of the date of delivery of the petition to the Secretary. Except as provided herein, no business may be conducted at a special membership meeting unless notice thereof is included in the meeting notice.

C. Notice of Meetings.

The Secretary shall give notice of each annual or special membership meeting to the record Owner or Owners of each Lot, or to the Lot address, no more than 60 days and at least 21 days prior to each annual membership meeting and at least 10 days prior to each special membership meeting. The notice shall state the date, time and location of the meeting, and for any special meeting, the purpose of the meeting. Giving notice as provided in these Bylaws shall be considered proper service of notice.

D. Waiver of Notice.

Waiver of notice of a membership meeting shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any membership meeting, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of improper notice of the date, time, and location thereof and of any specific business being conducted at such meeting, unless such Owner specifically objects to improper notice at the time the meeting is called to order or the Owner objects to improper notice of the specific business before the business is put to a vote.

E. Quorum.

The presence, in person or by proxy at the beginning of the meeting, of Owners entitled to cast 25% of the eligible vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. In establishing the total number of eligible votes for a quorum, if a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or if the voting rights for a Lot have been suspended, that Lot shall not be counted as an eligible vote.

F. Adjourned and Reconvened Meetings.

Any membership meeting may be adjourned, to be reconvened at a later date or time, by vote of the Owners holding a majority of the vote represented at such meeting, regardless of whether a quorum is present. Any business that could have been transacted properly at the original session of the meeting may be transacted at the reconvened session. No additional notice of such reconvened session shall be required if the original session is adjourned for a period not exceeding 10 days.

G. Proxies.

Any Owner entitled to vote may do so by written proxy. To be valid, a proxy must be signed, dated, and presented to the Board of Directors at or before registration at the membership meeting for which it is to be used. The Board may accept proxies by whatever means it deems acceptable. A proxy is revoked only if: (1) the Owner giving the proxy attends the meeting in person and requests the proxy back during registration for the meeting (attendance alone does not invalidate the proxy); (2) the Owner giving the proxy signs and delivers to the Board a written statement revoking the proxy or substituting another person as proxy; or (3) before the proxy is exercised, the Board receives notice of the death or incapacity of the Owner giving the proxy. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

H. Action Taken Without A Meeting.

In the Board's discretion, any action that may be taken by the Owners at any annual or special membership meeting may be taken without a meeting by written ballot or written consent as provided below.

(1) Written Ballot.

A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the vote cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the vote of approval equals or exceeds that which would be required to approve the matter at a meeting at which the total vote cast was the same as the vote cast by ballot.

All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter, other than election of Directors; and (c) specify the time by which such ballot must be received by the Board of Directors in order to be counted. A ballot may not be revoked. The Association shall maintain such ballots in its file for at least three years.

Except for amendments to recorded Association Legal Documents that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written ballot shall be effective upon the receipt of the affirmative vote necessary to take such action.

(2) Written Consent.

Approval by written consent shall be valid only when the affirmative written consents received equals or exceeds the vote that would be required to approve the matter at a meeting. Consents shall be filed with the minutes of the membership meetings. Except for amendments to recorded Association Legal Documents that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written consent shall be effective 10 days after sending the notice of approval described below.

(3) Notice to Members of Approval.

If an action of the Association membership is approved by written ballot or written consent, the Board of Directors shall issue notice of such approval to all Owners.

I. Order and Conduct of Business.

The President shall establish the agenda for, and preside at, and the Secretary shall keep the minutes of, all membership meetings. The Board of Directors may establish rules of conduct and the order of business for all membership meetings. When not in conflict with the Declaration, these Bylaws, the Articles of Incorporation or meeting procedures adopted by the Board of Directors, Robert's Rules of Order (latest edition) shall govern all membership meetings. The Board may order the removal of anyone attending a membership meeting who, in the opinion of the Board, disrupts the conduct of business at such meeting.

3. BOARD OF DIRECTORS

A. Composition and Selection.

(1) Board of Directors Composition.

The affairs of the Association shall be governed by a Board of Directors. Except as provided below for Declarant-appointed Directors, the Directors shall be Owners or spouses of Owners. No Owner and his or her spouse or co-Owner may serve on the Board at the same time. If, at the time of an election, a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for a Lot have been suspended, no person representing such Lot shall be eligible for election to the Board.

(2) Number of Directors.

Notwithstanding anything to the contrary herein, during the Class B Control Period (as defined in the Declaration), the initial Board of Directors shall be composed of one (1) to three (3) Persons, the exact number to be determined by the Declarant. Thereafter, the Board shall be composed of three (3) members.

(3) Term of Office.

Each director elected by the members shall hold office until the next annual meeting of the members. Each Director appointed by the Declarant shall hold office until such Director resigns or is removed by the Developer, or the term of said Director expires as provided for herein.

(4) Removal of Directors.

(a) Removal by the Owners. After the expiration of Declarant's right to appoint officers and directors of the Association, at any duly called membership meeting, for which the notice given called for a vote to remove any Director(s), such Director(s) may be removed with or without cause by Owners holding a Majority of the total Association vote. A successor may then and there be elected to fill the vacancy created. Any Director whose removal has been proposed by the Association membership shall be given an opportunity to be heard at the meeting. To ensure a Director has a chance to present a statement to the membership, the Owners' vote to remove a Director cannot be accomplished by written ballot or written consent. For the purpose of this Paragraph, no Owner may vote more than his or her own vote and the vote of four (4) proxies. However, a Director may vote any number of proxies.

(b) Removal by the Board of Directors. After the expiration of Declarant's

right to appoint officers and directors of the Association, any Director may be removed by the vote of the other Association Directors if: (1) he or she is absent from 3 or more meetings of the Board of Directors in any fiscal year; (2) his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge; (3) the voting rights for his or her Lot have been suspended; (4) he or she was appointed by the other Directors to fill a vacancy; or (5) he or she files any legal action, counterclaim or administrative action against the Association, any Director or Officer, in his or her capacity as such, or the Association's managing agent.

(4) Vacancies.

Vacancies in the Board of Directors caused by any reason, except the removal of a Director by vote of the Association membership, shall be filled by a vote of the remaining Directors. Unless earlier removed, the successor so selected shall hold office for the remainder of the term of the Director position being filled.

(5) Compensation.

Directors shall not be compensated for services performed within the scope of their duties as Association Directors unless authorized by a vote of the Association membership. Compensation, as may be authorized herein, can include payment but shall not include a waiver of assessments or other Association charges. Directors also may be reimbursed for the expenses incurred in carrying out their duties as Association Directors upon the approval of such expenses by the Board of Directors. The Association may give the Directors nominal gifts or tokens of appreciation for recognition of services performed by them. For purposes hereof, reasonable food and beverages purchased for meetings of the Board shall not be considered compensation.

(6) Director Conflicts of Interest.

Nothing herein shall prohibit a Director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as Director, provided that the Director's interest is disclosed to the Board of Directors and the non-interested voting Directors approve such contract. The interested Director shall not count for purposes of establishing a quorum of the Board and, if present at a meeting (if any), must leave the room during the discussion on such matter. Notwithstanding anything to the contrary herein, the directors, during the period of Declarant control, shall be authorized on behalf of the Association to enter into contracts with the Declarant and its affiliates.

(7) Nomination.

Nomination for election to the Board of Directors shall be made from the floor at the meeting, or, if elections are conducted by mail-in ballot or electronically in lieu of a meeting, by the method and date prescribed by the Board. The Board also may appoint a nominating committee to make nominations prior to the meeting. Each nominee shall be given a reasonable opportunity to communicate his or her qualifications to the membership prior to the election.

(8) Elections.

After the initial election of director by members at a special or annual Association meeting, Directors elected by the members shall be elected at the annual membership meeting or by mail-in or electronic ballot in lieu of such meeting. If elections are held at the annual membership meeting, voting shall be by written ballot, unless dispensed with by unanimous consent or unless a slate of candidates is unopposed and is accepted by acclamation. The nominees receiving the most votes shall fill the directorships for which elections are held. There shall be no cumulative voting.

B. Meetings.

(1) Regular Meetings.

Except during the Class B Control Period, regular meetings of the Board of Directors shall be held at least every three months, at such time and place as determined by the Board.

(2) Special Meetings.

The President is authorized to call a special Board of Directors meeting. In addition, the President is required to call a special Board meeting at the request of at least a majority of the Directors.

(3) Notice of Meetings.

Except as provided in this Paragraph, the President or Secretary shall give each Director at least two days' notice of any Board of Directors meeting. A newly elected Board may meet immediately following their election without notice. Regularly scheduled Board meetings may be held without notice, if the schedule for such meetings is announced to the Directors.

(4) Waiver of Notice.

Waiver of notice of a Board of Directors meeting shall be deemed the equivalent of proper notice. Any Director may, in writing, waive notice of any Board meeting, either before or after such meeting. A Director's attendance at a Board meeting shall be deemed waiver by such Director of improper notice, unless such Director objects to improper notice at the time the meeting is called to order. If all Directors are present at any Board meeting, no notice shall be required, and any business may be transacted at such meeting.

(5) Quorum and Voting.

The presence of Directors entitled to cast one half of the eligible votes of the Board of Directors shall constitute a quorum for the transaction of business. One or more Directors who participate in a Board meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, if all persons participating in such meeting can hear each other. Directors may not participate in Board meetings by proxy.

Unless otherwise provided herein, all decisions of the Board of Directors shall be by majority vote. No Director shall participate in any vote of the Board if, at the time of the vote, his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for such Lot have been suspended.

(6) Conduct of Meetings.

The President shall establish the agenda for, and preside at, and the Secretary shall keep the minutes of, all Board of Directors meetings. The President may establish rules of conduct and the order of business for all Board meetings.

If the Board of Directors allows Owners to attend Board meetings, then except as expressly authorized by the Board, only Directors may participate in discussions or deliberations at the Board meeting. Notwithstanding the above, the Directors may adjourn any Board meeting and reconvene in executive session, with only the Directors and other people authorized by the Board present. In executive session, the Board may discuss and vote upon personnel matters, litigation in which the Association is or may become involved, delinquent accounts, violations of the Declaration, Bylaws and/or Association rules,

and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

The Board of Directors may order the removal of any meeting guest who, in opinion of a majority of the Directors present at the meeting, either disrupts the conduct of business at the Board meeting or fails to leave such meeting upon request after an announcement that the Board will reconvene in executive session.

(7) Action Without a Meeting.

The Board of Directors can take action outside of a properly called meeting if a majority of the eligible Directors consent in writing to such action. Such signed, written consents must describe the action taken outside a meeting and be filed with the minutes of the Board meetings.

C. Authority.

(1) Powers and Duties.

The Board of Directors shall manage the affairs of the Association and have every right, power and privilege authorized or implied herein and under South Carolina law to effectuate such responsibilities. Unless otherwise required by the Declaration or the South Carolina Nonprofit Corporation Act, the Board may perform all of its responsibilities without a vote of the Association membership. The Board may delegate any and all of its functions, in whole or in part, to any other entity. In addition to the duties imposed by these Bylaws, the Board shall have the power to do the following (by way of explanation and not limitation):

(a) control, manage, operate, maintain, repair, replace, and improve all portions of the Common Areas or Limited Common Areas as defined in the Declaration;

(b) grant and accept permits, licenses, utility easements, leases, and other easements;

(c) acquire, hold and dispose of tangible and intangible personal property and real property;

(d) make, delete and amend reasonable rules and regulations governing the use of the Property;

(e) enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations as provided in the Declaration;

(f) bring or defend any actions or proceedings which may be instituted on behalf of or against the Owners concerning the Association or the Common Areas or Limited Common Areas;

(g) prepare and adopt an annual budget and establish the contribution from each Owner to the Common Expenses;

(h) establish the means and methods of collecting assessments;

(i) deposit Association funds in a financial depository or institution that the Board of Directors shall approve, or otherwise invest the proceeds in accordance with any limitations set forth under South Carolina law, and use such funds to administer the Association;

(j) designate the signatories of all Association bank and other financial accounts;

(k) obtain and carry insurance against casualties and liabilities as provided in the Declaration and pay the premium cost thereof;

(l) make or contract for the making of repairs, additions and improvements to, or alterations of, the Common Areas or Limited Common Areas after damage or destruction by fire or other casualty, in accordance with the other provisions of the Declaration and these Bylaws;

(m) designate, hire, dismiss and contract with the personnel necessary to operate the Association and the personnel necessary to maintain, repair, replace and improve the Common Areas of Limited Common Areas and, where appropriate, compensate such personnel; and

(n) purchase equipment, supplies and material to be used by Association personnel in the performance of their duties.

(2) Management Agent.

The Association may, but shall not be required to, hire a professional management agent or agents, to be compensated as established by the Board of Directors, and to perform such duties and services as the Board shall authorize. The Board shall use reasonable efforts to provide for termination of any such management contract with or without cause and without penalty, upon no more than 30 days written notice, and for a term not in excess of one year.

(3) Borrowing.

The Board of Directors, on behalf of the Association, shall have the power to borrow money to maintain, repair, restore or replace the Common Areas or Limited Common Areas without the approval of the Association membership. The Board, on behalf of the Association, also shall have the power to borrow money for other purposes with the approval of Owners holding at least a majority of the vote cast at a duly called membership meeting, or by ballot or written consent.

(4) Committees.

(a) **Architectural Review Board.** Subject to the right of the Declarant to appoint members thereof during the Class B Control Period, the Board of Directors may establish an Architectural Review Board to administer the architectural controls as provided in the Declaration.

(b) **Nominating Committee.** The Board of Directors may appoint a nominating committee to nominate candidates for election to the Board.

(c) **Other Committees.** The Board may establish such other committees as it shall determine, with the powers and duties that the Board of Directors shall authorize.

(d) **Service on Committees.** Unless otherwise provided by the Board of Directors, the Board of Directors in its discretion may appoint and remove the members and chairpersons of each committee.

D. Liability and Indemnification.

To the extent permitted by law, the Association shall indemnify every Director, officer and committee member against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon such Director, officer or committee member in connection with any action, suit, or other

proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been a Director, officer, or committee member, whether or not such person is a Director, officer or committee member at the time such expenses are incurred, as more particularly provided in the Declaration.

4. OFFICERS

A. Designation and Qualification.

The principal officers of the Association shall be the President, Secretary, and Treasurer. In addition, the Board may elect to fill an office of Vice President. The President, Secretary and Treasurer must be Directors, but the Vice President need not be a Director. No person may hold more than one office simultaneously.

B. Election and Terms of Offices.

Except during the Class B Control Period, the Board of Directors shall elect the Association officers annually at the first Board meeting following each annual membership meeting. The Association officers shall serve until a successor is elected, the Board of Directors removes the officer, or the officer resigns.

C. Removal of Officers.

The Board of Directors may remove any officer with or without cause.

D. Vacancies.

The Board of Directors may fill any vacancy in any office arising because of death, resignation, removal, or otherwise. Unless earlier removed, the successor so selected shall hold office for the remainder of the term of the officer position being filled.

E. President.

The President shall be the chief executive officer of the Association and shall establish the agenda for and preside at all meetings of the membership and the Board of Directors. The President shall have all the general powers and duties that are incident to the office of the president of a corporation organized under the South Carolina Nonprofit Corporation Act.

F. Vice President.

The Vice President, if the office is filled, shall act in the President's absence and shall have the same powers, duties, and responsibilities as the President when so acting.

G. Secretary.

The Secretary shall keep the minutes of all meetings of the membership and the Board of Directors. The Secretary also shall keep all Association books and records and perform all duties incident to the office of the secretary of a corporation organized under the South Carolina Nonprofit Corporation Act.

H. Treasurer.

The Treasurer shall have the responsibility for the Association's funds and securities. The Treasurer shall keep full and accurate financial records and books of account showing all receipts and

disbursements of the Association, prepare all required financial statements and tax returns, deposit all Association funds in such depositories as may be designated by the Board of Directors, and prepare the budget as provided in the Declaration. The Treasurer may delegate all or a part of the above responsibilities to a management agent.

I. Other Officers.

The Board of Directors may appoint one or more assistant treasurers, assistant secretaries, or other officers or subordinate officers with such titles and duties as defined by the Board. Any assistant, subordinate or other officers shall not be required to be Directors.

J. Agreements, Contracts, Deeds, Leases, Etc.

At least two officers of the Association (or such other person(s) as may be designated by resolution of the Board of Directors) shall execute all agreements, contracts, deeds, leases, checks, promissory notes, and other instruments of the Association.

K. Standard of Conduct.

Officers shall discharge their duties and their conduct shall be evaluated in accordance with the standards of conduct described in SC Code Section 33-31-851.

5. MISCELLANEOUS

A. Notices.

(1) Method of Giving Notices.

Unless otherwise prohibited by these Bylaws or the Declaration, all notices and other communications required by these Bylaws or the Declaration shall be in writing and shall be given by:

- (a) Personal delivery;
- (b) United States mail, first class, postage prepaid;
- (c) Statutory overnight delivery;
- (d) Electronic mail;
- (e) Facsimile; or
- (f) A secure web site, provided that notice shall be deemed given via web site only upon proof that the addressee has retrieved the message.

(2) Address For Notices.

Notices given by one of the methods described above shall be given:

- (a) If to a Lot Owner, to the address, electronic mail address or facsimile number that the Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Lot of such Owner;
- (b) If to an Occupant, to the address, electronic mail address or facsimile

number that the Occupant has designated in writing with the Secretary or, if no such address has been designated, at the address of the Lot occupied; or

(c) If to the Association, the Board of Directors or the managing agent, to the postal address, facsimile or electronic mail address of the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary. The Secretary shall promptly provide notice to all Owners of any such change in address.

B. Fiscal Year.

The fiscal year of the Association shall be the calendar year unless otherwise set by resolution of the Board of Directors.

C. Financial Statements.

Financial statements shall be prepared annually in the manner provided by the Board of Directors. Financial statements must be made available to Owners and to the holder, insurer or guarantor of any first mortgage on a Lot within 120 days of the end of the Association's fiscal year.

D. Financial Review.

A financial review of the Association's accounts shall be performed annually in the manner provided by the Board of Directors. The Board shall give a financial report to the Owners at the annual membership meeting. Thereafter, a majority of the total Association membership may require that an independent accountant audit the Association's accounts, as a Common Expense. The audit, if applicable, shall be made available to the holder, insurer, or guarantor of any first mortgage on a Lot upon submission of a written request therefor.

E. Amendment.

These Bylaws may be amended in the same manner as applicable to amendments to the Declaration under the Declaration. No Person shall be permitted to bring any legal action to challenge the validity of an amendment to the Declaration or these Bylaws more than one year after the recording thereof in the Charleston County, South Carolina land records.

F. Books and Records.

To the extent provided by law, and upon written request received at least five business days before the date requested for an inspection, all Association Owners shall be entitled to inspect the Association's books and records at a reasonable time and location specified by the Association. The Association can limit the length of time of each inspection, but such time limit shall not be less than two hours per inspection. The Association may impose a reasonable charge, covering the cost of labor, materials and copies of any documents, including but not limited to the customary copy charge and hourly fee of the Association's agent supervising such inspection.

Notwithstanding anything to the contrary, the Board may limit or preclude the inspection of confidential or privileged documents, including but not limited to, attorney/client privileged communication, executive session meeting minutes, and financial records or accounts of other Owners. Minutes of all meetings of the membership and the Board become official Association records when approved by the membership or the Board, as applicable.

G. Conflicts.

The duties and powers of the Association shall be those set forth in the South Carolina Nonprofit

Corporation Act, the Declaration, the Articles of Incorporation, and these Bylaws, together with those reasonably implied to affect the purposes of the Association. If there is a conflict or inconsistency between the South Carolina Nonprofit Corporation Code, the Declaration, the Articles of Incorporation or these Bylaws, such laws and documents, in that order, shall prevail.

H. No Discrimination.

No action shall be taken by the Association or the Board of Directors that would unlawfully discriminate against any person on the basis of race, creed, color, religion, sex, national origin, familial status or handicap.

I. Captions.

The captions herein are inserted only as a matter of convenience and for reference. They in no way define, limit, or describe the scope or intent of these Bylaws.

J. Gender and Grammar.

The use of the masculine or feminine gender in these Bylaws shall be deemed to include the opposite gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

K. Severability.

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws or the Declaration.

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of Sats:

of Pages: 57

of References:

RECIPIENT:

N/A

Note:

Recording Fee \$ 10.00

Extra Reference Cost \$ -

Extra Pages \$ 52.00

Postage \$ -

Chattel \$ -

TOTAL \$ 62.00

Original Book:

Original Page:

DRAWER **Drawer 1**

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