DUPLICATE HEADER

Recording Date: 09/28/2007 Instrument: 53 Book: 6285 Page: 169-233

FILED-RECORDED
RMC / ROD

2007 Sep 28 AM 11:46:00

DORCHESTER COUNTY
SC Deed Rec Fee: .00
Dor Co Deed Rec Fee: .00
Filing Fee: 70.00
Exemption #:
MARGARET L. BAILEY
Register of Deeds

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REGISTER OF DEEDS
DORCHESTER COUNTY SOUTH CAROLINA
MARGARET L. BAILEY, REGISTER
POST OFFICE BOX 38
ST. GEORGE, SC 29477
843-563-0181 or 843-832-0181

COPY

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT (S.C. CODE ANN. § 15-48-10 ET SEQ., AS AMENDED

NOTICE TO CLOSING ATTORNEYS: ***THIS DECLARATION IMPOSES ASSESSMENTS CONSTITUTING A LIEN ON EACH LOT IN THE SUBDIVISION. PLEASE CONTACT THE ASSOCIATION TO DETERMINE THE STATUS OF A PARTICULAR LOT WITH REGARD TO PAYMENT OF ASSESSMENTS. THE ASSOCIATION'S CONTACT INFORMATION MAY BE FOUND ON THE SECRETARY OF STATE'S WEBSITE.***

STATE OF SOUTH CAROLINA	)	DECLARATION OF COVENANTS, CONDITIONS,
	)	RESTRICTIONS, EASEMENTS, CHARGES AND
COUNTY OF DORCHESTER	)	LIENS FOR VISTIANNA PLACE
	)	

THIS Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for **Vistianna Place** is made this 27th day of June, 2007, by **Firstar Homes, Inc.** a South Carolina company organized and existing under the laws of the State of South Carolina (the "Developer," as further defined in Article I herein). Any defined terms used herein shall have the meaning set out in Article I hereafter:

THE DEVELOPER EXPRESSLY RESERVES THE RIGHT TO AMEND OR RESTATE THIS DECLARATION WITHOUT THE CONSENT OF AN OWNER, THEIR MORTGAGEE(S) OR THE ASSOCIATION FOR SO LONG AS THE DEVELOPER OWNS ANY PORTION OF THE "PROPERTY" (AS DEFINED HEREIN). ANY AMENDED OR RESTATED DECLARATION MAY CONTAIN ADDITIONAL RESTRICTIONS OR OBLIGATIONS AFFECTING THE USE OF THE "COMMON AREA", A "LOT", "AREA OF EXTENDED LOT OWNER RESPONSIBILITY" (AS SUCH TERMS ARE DEFINED HEREIN) OR ANY OTHER SUCH PORTION OF THE "PROPERTY". ANY AMENDED OR RESTATED DECLARATION MAY ALSO AFFECT AN OWNER'S OBLIGATIONS AS A MEMBER OF THE ASSOCIATION. EVERY PURCHASER OR GRANTEE OF ANY LOT OR COMMON AREA NOW AND HEREINAFTER DESIGNATED, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE THEREOF, ACKNOWLEDGES NOTICE OF THE DEVELOPER'S RIGHT TO AMEND THIS DECLARATION AND THAT THEIR RIGHTS ARE SUBJECT TO CHANGE. ANY SUCH AMENDMENT SHALL BE APPLICABLE TO AND BINDING UPON THE OWNERS AND THE LOTS. AT THE OPTION AND SOLE DISCRETION OF THE DEVELOPER, ANY AMENDMENTS TO THE DECLARATION MADE BY THE DEVELOPER MAY APPLY: (I) UPON THE DAY OF EXECUTION OR RECORDING OF THE AMENDED OR RESTATED DECLARATION; (II) RETROACTIVELY TO THE DATE OF THIS DECLARATION OR TO SOME OTHER SPECIFIED DATE IN THE AMENDMENT; OR (III) PROSPECTIVELY TO SOME SPECIFIED DATE IN THE AMENDMENT.

RECITALS

1. The Developer, is the owner of the real property described in Exhibit A of this Declaration, and desires to develop thereon a Community which may be made up of Neighborhoods, if and when designated, and which may include common lands and facilities, for the sole use and benefit of the Owner of each Lot to be located in such Community or a Neighborhood, if and when designated, within the Community.

2. The Developer has or may from time to time acquire additional real property which it may desire to develop as additional phases of such Community which the Developer may incorporate as additional phases of this Community and bring same under this Declaration.

3. The Developer is desirous of maintaining control of design criteria, Structure location, Plans and construction specifications, and other controls to assure the integrity of the Community or each Neighborhood, if and when designated, within the Community. Each purchaser of a Lot or Dwelling in the Community will be required to maintain, modify, change, and construct the Dwelling and any Structure in accordance with the design criteria contained herein and established by the Developer or Architectural Control Authority, When Empowered, as hereinafter provided.

4. The Developer desires to provide for the preservation of the value and amenities in such Community and for the maintenance of such common lands and facilities, if any.

5. The Developer desires to subject the real property described in Exhibit A to the covenants, conditions, restrictions, easements, charges, and liens, hereinafter set forth and to the guidelines, policies, procedures, rules and regulations adopted by the Developer or the Association, When Empowered, for each Neighborhood, if and when designated, or the Community as a whole. Each and all of which is and are (i) binding upon the Community and each Owner, (ii) for the sole benefit of the Developer for so long as it owns any portion of the Property, and thereafter for the sole benefit of the Association, and (iii) shall run with the title to the land.

6. The Developer has deemed it desirable, for the efficient preservation of the values and the amenities in the Community, to create the Association to which will be delegated and assigned as further described herein, the powers of maintaining and administering any Common Area or Area of Common Responsibility, of administering and enforcing the Declaration; of establishing and amending the reasonable rules, regulations and policies for the proper management of the Association and for the promotion of the health, safety and welfare of the residents of the Community; and of levying, collecting and disbursing the Assessments and charges hereinafter created. The Developer may assign or delegate, either permanently or temporarily, any or all of the foregoing powers to one or more entities or persons without notice to or the consent of any Owner.

7. The Developer has caused or will cause the Association to be incorporated under the laws of the State of South Carolina, as a nonprofit corporation, for the purpose of exercising the aforesaid functions, among others.

NOW, THEREFORE, The Developer declares that the real property described in Exhibit A, annexed hereto and forming a part hereof, and any additions thereto which the Developer may incorporate from time to time in the Community is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth which shall run with the title to the Property and all Lots therein and which shall be binding on all Owners.

ARTICLE I
DEFINITIONS

Section 1. DEFINITIONS. The following capitalized words when used in this Declaration, any Supplement, or any Supplemental Declaration (unless the context shall prohibit) shall have the following meaning:

(A) "ADDITIONAL ASSOCIATIONS" when and if created, shall mean and refer to any other separate association owning land within the Property, or being given authority to control, manage or maintain portions of the Property owned or maintained by the Association.

(B) "ARCHITECTURAL CONTROL AUTHORITY(IES)" shall mean and refer to any appointees of the Developer, or boards appointed by the Developer, while the Developer retains all or part of the rights and authority for architectural control in the Community, and the Board of Directors of the Association, When Empowered or architectural control boards appointed by the Board of Directors of the Association, When Empowered.

(C) "ARCHITECTURAL GUIDELINES" shall mean and refer to the set of policies, rules and procedures which may be promulgated and/or amended by the Developer or the Architectural Control Authority, When Empowered, from time to time, which shall act as a guide for the architectural control and review process and for the maintenance, construction or renovation of Structures in each Neighborhood, if and when designated, and within the Community. Failure to publish any Architectural Guidelines shall not diminish the architectural control and review authority of the Developer or the Architectural Control Authority, When Empowered, as set forth in this Declaration.

(D) "AREA OF COMMON RESPONSIBILITY" shall have the meaning and refer to any Common Area, together with those areas, if any, the Developer or the Association, When Empowered, has established pursuant to the terms of this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, or other applicable covenant, contract, or agreement. The location and dimensions of the Area of Common Responsibility may be established, adjusted, or eliminated by the Developer as long as it owns a Lot in the Community.

(E) "AREA OF EXTENDED LOT OWNER RESPONSIBILITY" shall mean and refer to that portion of the road right-of-way, whether owned by the Developer, the Association, or any applicable governmental entity, extending from the end of the road's curbing (or the end of the pavement itself, if no curbing exists) to any property line of a Lot that is contiguous to the road. Unless designated as Common Area or unless the Association has assumed maintenance responsibility for this area as part of its Area of Common Responsibility, each Owner shall be responsible for the maintenance and proper use of their corresponding Area of Extended Lot Owner Responsibility pursuant to the provisions of this Declaration, including without limitation obtaining appropriate Architectural Control Authority approvals, in addition to any other applicable governmental approvals, that may be required for any and all Structures and landscaping built upon or located in the Area of Extended Lot Owner Responsibility. All remedies available to the Developer and the Association, When Empowered, for the failure of an Owner to properly maintain, use, or construct or locate Structures upon a Lot shall also be available to the Developer and the Association, When Empowered, for the failure of an Owner to properly maintain, use, or construct or locate Structures upon the Area of Extended Lot Owner Responsibility, as provided for in this Declaration. Said authority of the Developer and the Association, When Empowered, to control the Areas of Extended Lot Owner Responsibility is subordinate to the authority and approval of any property owner or applicable governmental entity possessing rights over or ownership of the Areas of Extended Lot Owner Responsibility.

(F) "ASSESSMENTS" shall have the meaning specified in Article VI.

(G) "ASSOCIATION" shall mean and refer to The Vistianna Place Owners Association, Inc. its successors and assigns.

(H) "BOARD OF DIRECTORS" shall mean and refer to the members of the board of directors of the Association whether elected or appointed.

(I) "BY-LAWS" shall mean and refer to the by-laws of the Association.

(J) "COMMON AREA" shall mean and refer to those areas of land within the Property, the location and dimensions of which may be established, modified, or adjusted by the Developer as long as it owns a Lot in the Community, shown as "Common Area" on any recorded plat of the Property or so designated in any conveyance to the Association by the Developer including, but not limited to, any and all Structures thereon or the furniture, fixtures or equipment thereon, entrance signs, lights, sprinklers, shrubs, landscaping, parking places, drainage or other easements used, owned or maintained by the Association or the Developer for the benefit of the Community, whether or not located within the street right-of-ways which have been dedicated to a governmental agency or a Lot. Such areas are intended to be devoted to the common use and enjoyment of Members of the Association, subject to the Regulations established and amended from time to time by the Developer or the Board of Directors of the Association, When Empowered, and are not dedicated for use by the general public. NO REPRESENTATION FROM ANY PARTY OR SALES AGENT, INCLUDING

THOSE OF THE DEVELOPER, OR OTHER ENTITY AS TO THE EXISTENCE OF A COMMON AREA, SIZE, SHAPE, OR COMPOSITION OF ANY COMMON AREA OR ACCESS LOCATION, OTHER THAN THOSE PROVIDED HEREIN OR PROVIDED IN WRITING BY THE DEVELOPER, SHALL BE RELIED UPON, NOR SHALL IT IN ANY WAY REQUIRE THE DEVELOPER TO COMPLY WITH THAT REPRESENTATION. The Community may not contain Common Area, and the fact that there are provisions in this Declaration referencing Common Area does not mean there is or will be Common Area in the Community. The Developer or the Association, When Empowered, may restrict Common Area located within a Specific Purpose Area for the exclusive use and enjoyment of only those Owners who own Lots in the Specific Purpose Area.

(K) "COMMUNITY" shall mean and refer to the subdivision of the Property.

(L) "DECLARATION" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, Easements, Charges, and Liens, any amendment or modification thereof, and any supplements thereto that annex additional land.

(M) "DIRECTOR" shall mean and refer to an appointed or elected member of the Board of Directors.

(N) "DEVELOPER" shall mean and refer to **Firstar Homes, Inc.** a South Carolina company organized and existing under and pursuant to the laws of the State of South Carolina, its successors and assigns; provided such successors or assigns are designated as such by the Developer. The Developer may make partial or multiple assignments of its rights under this Declaration. All such assignees shall be deemed to be the Developer only as to those rights which may have been assigned to them.

(O) "DWELLING" shall mean and refer to a single family home, patio home, garden home, townhouse, condominium unit, or apartment, if constructed in the Community.

(P) "LOT" shall mean and refer to any parcel of land with such improvements, Structures, or Dwellings as may be erected thereon, shown and described as a "Lot" on any recorded subdivision plat of the Property, but shall not include the Common Area or the streets or road right-of-ways in the Community.

(Q) "MASTER ASSOCIATION" when and if created, shall mean and refer to any incorporated or unincorporated association to which or from which is delegated specific authority, the Members of which are common to the Association, Additional Associations or Sub-Associations to which or from which the authority is granted. The establishment of Neighborhoods, Neighborhood Architectural Control Authorities, Specific Purpose Areas, or Specific Purpose Committees, if and when designated, shall not be construed as creating a Master Association or Sub-Associations, unless expressly created and recognized as such by the Developer or the Association, When Empowered.

(R) "MASTER PLAN" shall mean and refer to the drawing, sketch, map, or Planned Unit Development plan that represents the conceptual land plan for the future development of the Community. Since the concept of the future development of the undeveloped portions of the Community, including without limitation the Lots, streets or road right-of-ways and any Common Area, are subject to continuing revision and change at the discretion of the Developer, present and future references to the "Master Plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants or obligation to develop shall arise with respect to lands that have been retained by the Developer for future development. **THE DEVELOPER SHALL NOT BE BOUND BY ANY MASTER PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY IN ITS SOLE DISCRETION AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN, DEVELOP OR NOT DEVELOP THE REMAINING UNDEVELOPED PROPERTY OR COMMON AREA OR AMENITIES SHOWN ON ANY MASTER PLAN.**

(S) "MEMBER" shall mean and refer to any Owner, as provided in Article III hereof.

(T) "NEIGHBORHOODS" when and if designated, shall mean and refer to any specific group of Lots and/or Common Area and/or streets and road right-of-ways located within the Property identified as a distinct Neighborhood by the Developer or the Association, When Empowered. The Members of any and all Neighborhoods are Members of the Association or the Master Association, if created, and the Neighborhood exists under authority granted by the Developer or the Association. A Neighborhood is not a Specific Purpose Area, however the same portion of the Property may be designated a Neighborhood and a Specific Purpose Area.

(U) "OWNER" shall mean and refer to the record owner or owners, whether one (1) or more persons or entities, of the fee simple title to any of the Lots, 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 to the Lot pursuant to foreclosure or any proceedings in lieu of the foreclosure. Said term "Owner" shall also refer to the heirs, successors, and assigns of any Owner.

(V) "PLANS" shall mean and refer to and encompass the plans, specifications, elevations and exterior designs of any Structure built or to be built on any Lot, or Common Area, or of any other item so designated in the Architectural Guidelines, as well as a site plan showing building set backs and locations of all Structures or other items so designated in the Architectural Guidelines within the Lot or Common Area.

(W) "PLAT shall mean and refer to those certain plats of Vistanna Place recorded in Book L at Pages 56 of the Register of Deeds Office for Dorchester County.

(X) "PROPERTY" shall mean and refer to all property, including but not limited to, the Lots, streets or road right-of-ways and Common Area, subjected to this Declaration, which are described in Exhibit A, together with any additional land that may be developed pursuant hereto and annexed or incorporated in the Property by amendments or supplemental Declarations.

(Y) "REGULATIONS" shall mean and refer to the guidelines, rules, policies, regulations, and procedures, including, but not limited to, the Architectural Guidelines, adopted by the Developer, the Board of Directors, When Empowered, or the Architectural Control Authority, When Empowered, for the Community, for each Neighborhood or Specific Purpose Area, if and when designated, and for any portion of the Property.

(Z) "SPECIFIC PURPOSE AREA" when and if created, shall mean and refer to any specific group of Lots and/or Common Area and/or streets and road right-of-ways located within the Property benefiting from or being provided distinct services or maintenance not otherwise provided to or for the rest of the Community, and specifically identified and designated as a Specific Purpose Area by the Developer or the Association, When Empowered. When designating a Specific Purpose Area, the Developer or the Association, When Empowered, shall either give notice of such designation to all Owners of Lots within the Specific Purpose Area or record an instrument evidencing such designation at the Register of Deeds office in the county where the Property is located. Owners of Lots within a Specific Purpose Area are Members of the Association or the Master Association, if created, and the Specific Purpose Area exists under authority granted by the Developer or the Association. A Specific Purpose Area is not a Neighborhood, however the same portion of the Property may be designated a Neighborhood and a Specific Purpose Area. The Lots and/or Common Area and/or streets and road right-of-ways identified in a Specific Purpose Area need not be contiguous, however they can be.

(AA) "SPECIFIC PURPOSE COMMITTEE" when and if created, shall mean and refer to a committee of Lot Owners within a Specific Purpose Area appointed by the Board of Directors, or at the option of the Board of Directors, elected by those Members located in the Specific Purpose Area, for any purpose determined by the Board of Directors, including but not limited to the creation for approval by the Board of Directors of a proposed budget and Specific Purpose Assessment for the Specific Purpose Area. The designation of a Specific Purpose Area does not require the creation of a Specific Purpose Committee.

(BB) "STRUCTURE" shall mean and refer to any thing or object upon any portion of the Property including by way of illustration and not limitation, any Dwelling or building or part thereof, garage, porch, shed, mailbox, greenhouse, or bathhouse, coop or cage, covered or uncovered patio, siding, doors, fixtures, equipment, and appliances (including without limitation the heating and air-conditioning system for the Dwelling), furniture, glass, lights and light fixtures (exterior and interior), awnings, window boxes, window treatments, window screens, screens or glass-enclosed porches, balconies, decks, chutes, flues, ducts, conduits, wires, pipes, plumbing, and other like apparatus, playgrounds, playground equipment, tree houses and yard art, statuary, basketball goals (permanent or temporary), or other temporary or permanent sports equipment, swimming pool, fence, curbing, paving, driveways, walkways, wall or hedge, radio, television, wireless cable, or video antenna, satellite dishes, yard, lawn, landscaping, trees, shrubs, bushes, grass, well, septic system, sign, appurtenance, or signboard, whether temporary or permanent; any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of waters from, through, under or

across any portion of the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any portion of the Property; and any change in the grade of any portion of the Property of more than six (6) inches.

(CC) "SUB-ASSOCIATIONS" when and if created, shall mean and refer to any other Additional Associations within the Property, all of the members of which are Members of the Association or the Master Association and which operates under authority granted by the Developer or the Association. The establishment of Neighborhoods, Neighborhood Architectural Control Authorities, Specific Purpose Areas, or Specific Purpose Committees, if and when designated, shall not be construed as creating a Master Association or Sub-Associations, unless expressly created and recognized as such by the Developer or the Association, When Empowered.

(CC) "WHEN EMPOWERED" shall mean when the Developer has transferred the right of performing some function to the Association's Board of Directors or another entity by the recordation of a document in the office of The Register of Deeds for the county in which the Property is located, or by giving written notice to the Association at the Association's address of record, or to all Owners attending a duly called meeting for that purpose. Except for the rights retained by the Developer under its Class "C" Membership, the transfer of all functions to the Association and the rights and authority of the Developer for architectural control in the Community shall automatically occur when one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale or when the Class B Membership terminates, whichever occurs first. "When Empowered" shall also mean and refer to when the Developer has delegated the right of performing some function to the Association's Board of Directors, the Association's membership, or to any other entity, which Developer may do without any recording or notice requirements.

ARTICLE II
USES OF PROPERTY AND EASEMENTS

Section 1. RESIDENTIAL USE OF PROPERTY. Unless otherwise designated in a supplemental Declaration filed by the Developer for additional land annexed to the Community, all Lots shall be used for single-family residential purposes only, and no commercial, business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Developer, its designee(s), or the Association, When Empowered; provided, however, that nothing herein shall prevent the Developer, its agents, representatives, employees, or any builder of homes in the Community, approved by the Developer, from using any Lot owned by the Developer or such builder of homes for the purpose of carrying on business related to the Community or related to the improvement and sale of Lots or Dwellings in the Community; operating a construction office, business office, or model home, and displaying signs, and from using any Lot for such other facilities as in the sole opinion of the Developer may be required, convenient, or incidental to the completion, improvement, and sale of the Lots, Dwellings, or the Community; and provided, further that, to the extent allowed by applicable zoning laws, "home occupation", as defined in the Architectural Guidelines or in the zoning ordinances of the governmental authority having jurisdiction over the Lot,

may be maintained in a Dwelling located on any of the Lots as approved in writing by the Developer or the Architectural Control Authority, When Empowered and the governmental authority having jurisdiction over the Lot, so long as the "home occupation" complies with any and all conditions of such approvals.

Section 2. CONSTRUCTION IN ACCORDANCE WITH PLANS. EXCEPT AS PROHIBITED BY LAW, INCLUDING WITHOUT LIMITATION 47 U.S.C. § 303 NT, AND RELATED FCC RULES, 47 CFR § 1.4000 (WHICH LIMITS, BUT DOES NOT ENTIRELY PROHIBIT, CONTROL BY THE ASSOCIATION OF THE SIZE AND LOCATION OF ANTENNAS AND SATELLITE DISHES), NO STRUCTURE SHALL BE CONSTRUCTED, ERECTED, MAINTAINED, STORED, PLACED, REPLACED, CHANGED, MODIFIED, ALTERED OR IMPROVED ON ANY LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY UNLESS APPROVED BY THE DEVELOPER OR ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED AND ANY OTHER APPROPRIATE OWNER OR APPLICABLE GOVERNMENTAL ENTITY AND THE USE OF APPROVED STRUCTURES SHALL COMPLY WITH THE REGULATIONS ISSUED BY THE DEVELOPER OR ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED, FROM TIME TO TIME. NO CONSTRUCTION, RECONSTRUCTION, ERECTION, REPAIR, CHANGE, MODIFICATION SHALL VARY FROM THE APPROVED PLANS. The Developer and the Architectural Control Authority, When Empowered, shall have complete discretion to approve or disapprove any Structure. The Developer and the Architectural Control Authority, When Empowered, shall have the complete discretion to withhold review of any and all plans submitted to it from an Owner who is not in good standing as a Member of the Association, including without limitation Members who owe past due Assessments on any Lot in the Community. The Developer and the Architectural Control Authority, When Empowered, may issue from time to time Architectural Guidelines and Regulations to assist it in the approving of Structures and may change such Architectural Guidelines and Regulations at any time and from time to time without notice to the Owners. (For definition of Structure, see Article I, Section 1.) Notwithstanding anything herein to the contrary, until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer may, at its sole option, approve or disapprove any Plans approved or rejected by the Architectural Control Authority or overturn any other action of such Architectural Control Authority. Such action by the Developer shall supersede and nullify the action taken by such Architectural Control Authority.

Section 3. SUBDIVISION/COMBINATION OF LOTS AND ROAD USAGE. One or more Lots or parts thereof may be subdivided or combined only if approved in writing by the Developer. No Lot or Common Area may be used as a road unless approved in writing by the Developer, and the Architectural Control Authority, When Empowered.

Section 4. LIVESTOCK AND PETS. Unless the following is amended by the Regulations established and amended by the Developer or by the Board of Directors of the Association, When Empowered, from time to time, no animals, livestock or poultry of any kind shall be raised, bred or

kept on any Lot or Area of Extended Lot Owner Responsibility, except that dogs, cats or other small household pets may be kept subject to applicable leash laws, provided that they are not kept, bred or maintained for any commercial purpose. Such household pets must not constitute a nuisance as determined by the Board of Directors in its sole discretion within the Community or cause unsanitary conditions within the Community, and no animal kept outside the Dwelling shall be kept in a manner which disturbs the quiet enjoyment of the Community or any other Owner. While not in a fully confined area, all pets shall be restrained by leashes and no pet shall enter upon any Lot or Area of Extended Lot Owner Responsibility without the express permission of that Owner or on the Common Area without express permission of the Developer, or the Association, When Empowered. The pet owner will be responsible for clean up and removal of fecal matter deposited by such pet and shall be liable for, indemnify and hold harmless any other Owner, the Developer and the Association from any loss, cost, damage or expense incurred by such Owner, the Developer or the Association as a result of any violation of this provision. (See Article X for the Association's Remedies for Violation.)

Section 5. OFFENSIVE ACTIVITIES. Unless the following is amended by the Regulations established and amended by the Developer or by the Board of Directors of the Association, When Empowered, from time to time, no noxious, offensive or illegal activities as determined by the Developer or the Board of Directors, When Empowered, shall be carried on upon any Lot, Area of Extended Lot Owner Responsibility, Common Area, or street and road right-of-way, nor shall anything be done thereon which is or may become an annoyance or nuisance to any Owner in the Community, including without limitation nuisances of a permanent or temporary nature, occurring on an intermittent or continual basis, and those that are a nuisance to one or more Owners in the Community . (See Article X for the Association's Remedies for Violation.)

Section 6. TRAILERS, TRUCKS, BUSES, BOATS, PARKING, ETC. Unless the following is amended by the Regulations established and amended by the Developer or by the Board of Directors of the Association, When Empowered, from time to time, no passenger vehicles, buses, trailers or mobile homes, motorcycles, boats, boat trailers, all terrain vehicles, go-carts, campers, vans or vehicles on blocks, unlicensed vehicles, or like vehicles shall be kept, stored, used, or parked overnight either on any street within the Community, in the Common Area, or on any Lot or Area of Extended Lot Owner Responsibility, without the approval of the Developer or the Association, When Empowered; provided, however, that passenger vehicles may be parked in approved areas on a Lot, to include garages, paved driveways, and any other area approved by the Developer or the Board of Directors, When Empowered, or as specified in the Regulations. No unsafe parking shall be allowed on any streets in the Community. The Developer or the Association, When Empowered, may in its sole discretion determine what is unsafe and issue regulations to control on and off street parking. (See Article X for the Association's Remedies for Violation.)

Section 7. USE OF GARAGES. Garages are to be used for parking vehicles and storage of personal property. Unless the Developer or the Association, When Empowered, gives written authorization to the contrary, no Owner shall: (i) use their garage in a manner that would prevent the immediate conversion of the garage space to accommodate parking or storage as determined by the Developer or the Association, When Empowered, (2) use their garage n such a way that creates a

nuisance as determined by the Developer or the Association, When Empowered, or (3) use their garage for any other purpose that would permanently prevent parking or storage in the garage as determined by the Developer or the Association, When Empowered.

Section 8. EXCAVATIONS OR CHANGING ELEVATIONS. No Owner shall excavate or extract earth for any business or commercial purpose within the Property. **In addition to the foregoing, no excavation, digging or drilling may occur at a depth greater than one (1) foot on those on Lots # 1, 35,36,37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54 & 55 as designated on the Plat. The aforementioned Lots contain a geotextile material necessary for the preservation and maintenance of the Community and may not be penetrated, removed, altered, or otherwise impacted by any activity upon a Lot. In the event a Lot Owner causes damage to such goetextile material, whether intentional or accidental, it shall be absolutely liable to the Developer or the Association, When Empowered for the costs of any replacement or repair to the geotextile material and such costs may assessed against the Lot Owner as provided in the same manner as the Assessments provided for herein.**

Section 9. SEWAGE SYSTEM. Sewage disposal shall be through the public or private system or by septic tank approved by appropriate State and local agencies. If there is a public or private system serving the Community, the Owner shall be obligated to use the system unless authorized otherwise by the Developer.

Section 10. WATER SYSTEM. Water shall be supplied through a public or private system or any other system or well approved by appropriate State and local agencies. If there is a public or private system serving the Community, the Owner shall be obligated to use the system unless authorized otherwise by the Developer.

Section 11. UTILITY FACILITIES. The Developer reserves the right to approve the necessary construction, installation and maintenance of utility facilities and service lines for, on, over or under the Property or any portion thereof, including but not limited to telephone, cable T.V., electricity, gas, water and sewage systems, which may be in variance with these restrictions.

Section 12. WAIVER OF SETBACKS, BUILDING LINES AND BUILDING REQUIREMENTS. The Developer, and Architectural Control Authority, When Empowered may waive violations of the setbacks and building lines shown on any plat of the Community or set out in this Declaration. Such waiver shall be in writing and recorded by the Owner in the County Register of Deeds. A document executed by the Developer or the Architectural Control Authority, When Empowered shall be, when recorded, conclusive evidence that the requirements hereof have been complied with. The Developer and Architectural Control Authority, When Empowered, may also, from time to time as they see fit, eliminate violations of setbacks and boundary lines by amending said plats. Nothing contained herein shall be deemed to allow the Developer or the Architectural Control Authority, When Empowered, to waive violations which must be waived by an appropriate governmental authority without the Owner obtaining a waiver from such authority.

Section 13. EASEMENT FOR UTILITIES AND COMMON FACILITIES. The Developer reserves unto itself and its permittees a perpetual, alienable, easement and right of ingress and egress, over, upon, across and under each Lot and Area of Extended Lot Owner Responsibility, and all Common Areas and Areas of Common Responsibility, if any, as are necessary or convenient for the erection, maintenance, installation, and use of electrical systems, cable television systems, irrigation systems, landscaping, telephone wires, cables, conduits, sewers, water mains, and other suitable equipment, other Structures and buildings necessary or convenient for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public convenience or utilities including but not limited to privately owned television systems and other communications cable and equipment, and the Developer may further cut drainways for surface water when such action may appear by the Developer to be necessary in order to maintain reasonable standards of health, safety, and appearance, or to correct deviations from approved development drainage Plans, provided such easement shall not encroach on or cross under existing buildings or Dwellings on the Lot or Common Area. Unless otherwise shown on a recorded plat of the Community, the Developer further reserves an easement on behalf of itself and its permittees over six (6') feet along each side Lot line of each Lot for the purpose of construction or maintenance of utilities, as well as drainage installation or maintenance, and over the rear twelve feet (12') of each Lot line of each Lot for the purpose of construction or maintenance of utilities, as well as drainage installation or maintenance, and over the front ten feet (10') of each Lot and over such other area of each Lot and Area of Extended Lot Owner Responsibility as is shown on recorded plats of the Community for utility installations, utility rights of way and maintenance thereof, as well as drainage installations, drainage rights of ways, and maintenance thereof. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other installation and to maintain reasonable standards of health, safety and appearance. It further reserves the right to locate signs, entrances, landscaping, sprinklers and other improvements related to the Common Area or Area of Common Responsibility or common facilities of the Community including, but not limited to, entrances, wells, pumping stations, and tanks, within residential areas on any walkway or any residential Lot or Area of Extended Lot Owner Responsibility in the area designated for such use on any applicable plat of the residential subdivision, or locate same on the adjacent Lot or Area of Extended Lot Owner Responsibility with the permission of the Owner of such adjacent Lot. Such right may be exercised by the licensee of the Developer, but this reservation shall not be considered an obligation of the Developer to provide or maintain any such utility service. No Structures, including, but not limited to, walls, fences, paving or planting shall be erected upon any part of the Property which will interfere with the rights of ingress and egress provided for in this paragraph and no Owner shall take any action to prevent the Association, the Developer, or any public or private utility, or any of their agents, contractors or employees from utilizing the easements reserved herein. **THE DEVELOPER, THE ASSOCIATION, THE ARCHITECTURAL CONTROL AUTHORITY, THEIR AGENTS, EMPLOYEES AND OFFICERS SHALL NOT BEAR RESPONSIBILITY FOR THE REPAIR OR REPLACEMENT OF ANY LANDSCAPING PLANTED, SPECIAL GRADING ESTABLISHED, OR STRUCTURE CONSTRUCTED WITHIN AN EASEMENT, WHETHER PLANTED, ESTABLISHED OR CONSTRUCTED INTENTIONALLY OR INADVERTENTLY AND WHETHER APPROVED OR NOT BY THE DEVELOPER OR**

THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED. The Developer expressly reserves the right to alter, expand or overburden any easement described in this paragraph. Such right to alter, expand or overburden shall be limited to such extent as will allow the Owner of the affected Lot and Structure to convey marketable title. The rights and easements conferred and reserved herein shall be appurtenant to any property now or hereafter owned by Developer, whether or not subject to this Declaration and shall be an easement in gross of a commercial nature for the benefit of the Developer and its permittees to serve any property whether or not subject to this Declaration.

Section 14. YARD AND LANDSCAPING MAINTENANCE.

(a) In the event that the Owner of any residential Lot, improved or unimproved, fails to maintain their yard and overall landscaping of their Lot or Area of Extended Lot Owner Responsibility in a manner in keeping with the Declaration, as determined by the Developer or an Architectural Control Authority, When Empowered, from time to time as they see fit, the Developer or the Architectural Control Authority, When Empowered, may issue a compliance demand requiring the Owner of the residential Lot to bring the Lot or Area of Extended Lot Owner Responsibility into keeping with the Declaration, as determined by the Developer or the Architectural Control Authority, When Empowered. If the Owner of the residential Lot fails to comply within the time required by the notice, the Developer or the Association may enter upon the Lot or Area of Extended Lot Owner Responsibility, bring the Lot or Area of Extended Lot Owner Responsibility into keeping with the Community, as provided above, and levy against the Owner of the Lot an Assessment for Non-Compliance and such Assessment shall be a lien upon the Lot.

(b) The responsibility of an Owner of a residential Lot to properly maintain their yard and overall landscaping of their Lot and Area of Extended Lot Owner Responsibility includes, but is not limited to, the following:

(i) prevent any underbrush, weeds, or other unsightly plants to grow upon the Lot and Area of Extended Lot Owner Responsibility;

(ii) provide permanent vegetation, including but not limited to grass, fully and uniformly distributed over the Lot and Area of Extended Lot Owner Responsibility;

(iii) unless approved otherwise by the Developer or the Architectural Control Authority, When Empowered, maintain and (if they are determined to be unhealthy by the Developer or the Architectural Control Authority, When Empowered) replace, any tree(s) or portions thereof and/or other vegetation upon the Lot or Area of Extended Lot Owner Responsibility or located within the road right-of-way, that (1) are specifically required to be removed or replaced by the Developer or the Architectural Control Authority, When Empowered, (2) were required by the Developer or the Architectural Control

Authority, When Empowered, to have been protected during construction, or (3) were placed in this area in accordance with an approved landscape plan;

(iv) provide proper grading and drainage on the Lot and Area of Extended Lot Owner Responsibility, in accordance with Article IX of this Declaration;

(v) prevent and repair any erosion on the Owner's Lot, Area of Extended Lot Owner Responsibility, any other Lot, or any street in the Community caused by surface run-off from the Owner's Lot, in accordance with Article IX of this Declaration; and

(vi) providing at their own expense general maintenance, including but not limited to proper watering, insect and weed control, fertilization, pruning, regular replacement of straws and mulch, proper drainage control, etc. and other types of normal maintenance not provided by the Association, of the overall landscaping and grass for their Lot and Area of Extended Lot Owner Responsibility in compliance with the Regulations and Architectural Guidelines established by the Developer, the Board of Directors or the Architectural Control Authority, When Empowered.

(c) Any entry by the Association or the Developer or their agents, employees, officers or contractors under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer and to the Association for the purpose of entry onto any residential Lot or Area of Extended Lot Owner Responsibility for the purpose of enforcing this paragraph. This provision shall not be construed as an obligation on the part of the Developer, the Association to provide garbage or trash removal services. As provided herein, these rights may be assigned by the Developer to the Association, or other appropriate entities. The Owner shall hold harmless the Developer, its agents and employees, officers and contractors and the Board of Directors or the Architectural Control Authority, When Empowered, from any liability incurred arising out of correcting the Owner's breach of this Section.

Section 15. ACCESS BY DEVELOPER OR ASSOCIATION, WHEN EMPOWERED. For the purpose of performing its function under this or any other Article of this Declaration, the Association or the Developer, and their duly authorized agents and employees, shall have the right to enter upon any Lot or Area of Extended Lot Owner Responsibility to (a) correct any violation of this Declaration, the Architectural Guidelines or the Regulations, (b) make necessary examinations in connection therewith, (c) respond to the request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property, or (d) in the sole discretion of the Developer or the Association, prevent an anticipated request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property. With regard to the aforementioned Developer's right of access in the context of responding to, or preventing a request from, a governmental body, district, agency, or authority, the Developer's right of access shall remain in effect for as long as said governmental body, district, agency, or authority has enforcement power over the Developer, even after the Developer's Class "B" Membership has been converted to Class "C" Membership (see Article III herein).

Section 16. EMERGENCY ACCESS. There is hereby reserved and granted to the Developer, the Association, When Empowered, their directors, officers, agents, employees, and managers and to all policemen, firemen, ambulance personnel and all similar emergency personnel an easement to enter upon the Property, any part thereof or Lot in the proper performance of their respective duties. Except in the event of emergencies, the rights under this Section shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner affected thereby. The rights granted herein to the Developer and the Association includes reasonable right of entry upon any Lot, Area of Extended Lot Owner Responsibility or Dwelling to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Community.

Section 17. CONSTRUCTION EASEMENT FOR THE DEVELOPER During the period that Developer owns any Lot primarily for the purpose of sale or owns any interest in any portion of the Property, Developer and its duly authorized representative, agents, and employees shall have a transferable right and easement on, over, through, under and across the Property for the purpose of constructing Dwellings or other Structures on the Lots and making such other improvements to the Property as are contemplated by this Declaration and to the Property as Developer, in its sole discretion, desires, and for the purposes of installing, replacing, and maintaining all Dwellings and other improvements within the Community, as well as utilities servicing the Property or any portion thereof, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided in no event shall Developer have the obligation to do any of the foregoing.

Section 18. LEASES OF LOTS. Any lease agreement between an Owner and a tenant for the lease of such Owner's Lot or portion thereof, including any portion of the Dwelling or other Structure on the Lot, shall be subject to and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Articles of Incorporation and By-Laws of the Association, and any Regulations promulgated by the Association. The Owner shall incorporate in any lease of any Lot, Dwelling, or Structure a provision stating that failure to comply with the terms of such documents shall be default under the terms of the lease. All leases of Lots, Dwellings, or Structures shall be in writing and a copy of the executed lease, upon written demand, must be provided to the Developer or the Board of Directors, When Empowered.

Section 19. STREET LIGHTING CHARGE. Each Owner shall pay a proportional share of the monthly charge for street lighting service as prescribed by the South Carolina Public Service Commission. The electric utility company shall bill the Owner for this charge as part of the monthly electric utility bill.

Section 20. MINIMUM SQUARE FOOTAGE REQUIREMENT. Unless otherwise stated in a document recorded in the County Register of Deeds Office, the Developer may establish minimum square footage requirements. The Developer or Architectural Control Authority, When Empowered shall have the right to approve or disapprove any multi-level plan based solely on the amount of

heated square footage contained within any level or floor and/or relationship of that level's or floor's footage to the total heated footage contained within the other levels of the Structure or the Structure in its entirety.

Section 21. BUILDING SETBACK REQUIREMENTS. Unless the Developer or the Architectural Control Authority, When Empowered, waives the requirement or unless a setback is shown otherwise on any plat of the Community or unless otherwise stated in a document recorded in the County Register of Deeds Office the Developer may establish setback requirements for the approved exterior finished face, steps, eaves and overhangs of all Structures, including but not limited to approved, buildings, homes, garages, porches, sheds, greenhouses, bathhouses, terraces, patios, decks, stoops, wing-walls, swimming pools and storage buildings for related equipment (including but not limited to filters and water pumps) shall be placed on the Lot so as to meet the Developer's setback requirements.

Section 22. REGULATIONS. The use of the Property shall be subject to the Regulations promulgated from time to time by the Developer, and the Association, When Empowered. The Developer and the Association, When Empowered, may from time to time adopt, amend, change, modify or eliminate any Regulation and may waive any violation of the Regulations, in their sole discretion, without notice to the Owners. The Regulations may apply to the entire Property, to portions of the Property, or exclusively to specific Neighborhoods or Specific Purpose Areas, if and when designated. Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer may, in its sole discretion: delegate, temporarily or for the period that these rights and authority are reserved to the Developer, the rights set out herein; amend the Regulations of the Association; waive the violation of any Regulation issued by the Association; grant variances to the Regulations of the Association; veto any modification to the Regulations proposed or implemented by the Association; override any attempt by the Association to enforce or implement the Regulations; and require the Association to enforce and implement any provision of the Regulations.

SECTION 23. HAZARDOUS TREES. A "hazardous tree" is any tree designated as such by the Developer or the Board of Directors of the Association, When Empowered, which presents a hazard to person or property due to conditions, including but not limited to, deterioration, death, or physical damage to the root system, trunk, stem or limbs, and the direction and lean of the tree(s). Unless the responsibility for cutting and removal of a hazardous tree is specifically determined is voluntarily assumed by the Board of Directors of the Association to be the responsibility of the Association, an Owner of a Lot adjoining a Common Area shall be responsible for cutting and removing hazardous trees within the Common Area which may cause injury to person or property, if such hazardous tree were to fall upon the Owner's Lot. The determination of whether any tree may be cut, whether the tree or any portion of the tree must be removed from the site after cutting, and the location which any debris related to the cutting of the tree may be left or placed within the Common Area shall at all times be that of the Association. Notwithstanding the foregoing, prior to taking any steps to cut or remove a tree, an Owner must obtain the written approval of the Association. Unless

some portion of the cost of the cutting or removal of a tree is assumed by the Association, the affected Lot Owner shall bear all costs associated with the cutting and removal of hazard trees, and such cutting and removal shall at all times be subject to the Regulations of the Association, or Architectural Guidelines adopted or amended by the Association from time to time.

SECTION 24. PONDS The pond(s), lakes, wetlands, detention ponds, or other water retention structures (the "Ponds") are those portions of the Property designated on the Plat, if any, as Ponds, and shall always be kept and maintained as ponds for water retention, drainage, irrigation, and water management purposes in compliance with all governmental requirements. The ponds may be Common Area, unless otherwise designated by the Developer, or the Board of Directors of the Association, When Empowered, and may be maintained, administered, and ultimately owned by the Association. Nothing in this section, however, shall impair or limit the Developer's right to remove the Pond from the Property or Common Area pursuant to the rights retained by it pursuant to this Declaration. In furtherance of the foregoing, the Developer hereby reserves and grants an easement in favor of itself and the Association, throughout all portions of the Property as may be necessary for the purpose of accessing, maintaining and administering the Ponds. The Developer, or the Association, When Empowered, shall not have any obligation to repair, replace or maintain any dam or dams or any other Structures adjoining the Ponds.

Water levels in the Ponds may rise and fall significantly or disappear due to among other things, rainfall and fluctuations in ground water elevations within the surrounding areas. Accordingly, Developer, or the Association, has no control over such water levels and/or ground water elevations. Each Owner, by acceptance of title to his Lot, hereby releases Developer, the Association, and the Board of Directors of the Association, When Empowered, from and against any and all losses, claims, demands, liabilities, damages, costs and expenses of whatever nature or kind (including without limitation, attorney's fees), related to, and arising out of water levels in the Pond(s). No riparian rights are granted or conveyed to any Lot adjacent to a Pond, including but not limited to the right to use the water within the Pond.

DEVELOPER AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING BUT NOT LIMITED TO, LIFEGUARDS, FOR THE PONDS, AND ANY INDIVIDUAL USING THE POND(S) SHALL DO SO AT HIS OWN RISK AND HEREBY HOLDS DEVELOPER AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS ARISING FROM SUCH USE.

EACH OWNER, BY THE ACCEPTANCE OF TITLE TO HIS LOT, ACKNOWLEDGES THAT THE PONDS ARE DEEP AND DANGEROUS. NEITHER THE DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (HEREINAFTER "RELEASED PARTIES") SHALL BE RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY, OR WATER LEVEL OF/IN ANY POND, CREEK, OR STREAM WITHIN THE PROPERTY EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH,

ANY APPLICABLE GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE RELEASED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURING ON, OR OTHERWISE RELATED TO, THE POND(S), ALL PERSONS USING THE SAME DOING SO AT THEIR OWN RISK. ALL OWNERS AND USERS OF ANY PORTION OF THEHE PROPERTY SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, THE POND(S), TO HAVE AGREED TO RELEASE THE RELEASED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN THE POND(S).

SECTION 25. RESTRICTED WETLANDS AREAS. In addition to any restrictions placed on areas delineated as wetlands by the Army Corps of Engineers, or any other applicable governmental authority, the Owners of Lots shown on a plat of the Community upon which wetlands have been delineated, if any, shall be prohibited from the following:

- Filling, draining, flooding, dredging, impounding, or otherwise changing the grade or elevation, or impairing the flow or circulation of waters, or reducing their reach;
- Cutting, clearing, cultivating, burning or otherwise destroying vegetation;
- Excavating, erecting, or constructing any facility, releasing wastes, or otherwise doing any work in areas shown as wetlands or their identified restricted buffers;
- Introducing or releasing any exotic species of plant or animals into the wetland areas; or
- Any other discharge or activity requiring a permit under The Clean Water Act or other water pollution control laws and regulations as may be amended from time to time.

Where upland buffers have been identified in association with wetlands for the purpose of mitigation in obtaining Clean Water Act permits for the development of the site, the identified buffers carry the same restrictions as delineated wetlands and may not be altered in any way without prior approval of the U. S. Army, Corps of Engineers or the South Carolina Department of Health and Environmental Control.

A Lot Owner may, at its sole cost and expense, with the express prior written approval of the Developer, or the Association, When Empowered, remove or trim vegetation which the Developer, or the Association, When Empowered, deems hazardous to person or property. Upon receipt of written approval to remove or trim any vegetation in a wetlands area, or its identified buffer on a Lot or Common Area from the Developer, or the Association, When Empowered, prior to taking any such action, the Lot Owner must then obtain any necessary approvals or permits from the applicable governmental authority having jurisdiction over such matters.

SECTION 26. PROHIBITION AGAINST DIGGING OR EXCAVATION ON SPECIFIED LOTS. No excavation, digging or drilling may occur at a depth greater than one (1) foot on Lots # 1, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54 & 55 as designated on the Plat. The aforementioned Lots contain a geotextile material below the surface of the soil that is necessary for erosion control and that provides structural integrity, preservation and maintenance of

the retaining walls located on these Lots. The geotextile may not be penetrated, removed, altered, or otherwise impacted by any activity upon a Lot, including the installation of plant material, the installation of fences or the repair of fences previously installed on the Lot. In the event that a Lot Owner causes damage to such goetextile material or the retaining wall structure or that erosion of material results from such damage, whether such damage is intentional or accidental, the Lot Owner or Owners shall be responsible for the repair or replacement of any portion of the geotextile or the retaining wall structure and for the replacement of any material displaced due to erosion caused by such damage, as the same may be determined necessary by the Developer or the Association, When Empowered.

The determination of which Lot Owner or Owners bear responsibility for damage to a portion of the geotextile or the retaining wall structure, as well as for erosion resulting from such damage, shall at all times be that of the Developer or the Association, When Empowered. At the option of the Developer or the Association, When Empowered, and upon notice from the Association, any Lot Owner or Owners deemed by the Developer or the Association, When Empowered, to bear such responsibility or to share such responsibility for damage to the geotextile, the retaining wall structure or for erosion related to such damage shall be required to: (a) at the sole expense of that or those Lot Owner's, repair or replace to the satisfaction of the Developer or the Association, When Empowered, any portion of the geotextile or the retaining wall structure, and replace or relocate any material that has been displaced as a result of erosion due to such damage, as the same may be determined necessary by the Developer or the Association, When Empowered, or (b) reimburse the Developer or the Association for any cost incurred by the Developer or the Association for the repair or replacement of any portion of the geotextile or retaining wall structure and the replacing or relocating of any material that has been displaced as a result of erosion due to such damage, as the same may be determined necessary by the Developer or the Association, When Empowered.

Any damage deemed by the Developer or the Association, When Empowered, to be the responsibility of a Lot Owner or of multiple Lot Owners shall be deemed a violation of the Declaration, subject to the remedies set forth for non-compliance in the Declaration. All costs incurred by the Developer or the Association in repairing or replacing any portion of the geotextile or the retaining wall structure, as well as replacing any material displaced by erosion related to such damage; including administration fees, collection cost and attorney fees; shall become a part of the Association's lien on the Lot of that or those Owners, subject to the rights of collection provided to the Association in the Declaration

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. MEMBERSHIP. It is mandatory that every person or entity who is an Owner of any Lot shall be a Member of the Association.

Section 2. VOTING RIGHTS. The Association shall have three (3) classes of voting Membership.

(a) CLASS "A". Class "A" Members shall be all Owners excepting the Developer. Class "A" Members shall be entitled to one (1) vote for each Lot they own. When more than one (1) person holds such interest or interests in any Lot, the entire vote attributable to such Lot shall be exercised by one (1) individual who is duly authorized in writing by all of the Owners of that Lot. In no event shall more than one (1) vote or a partial vote be cast with respect to any such Lot. When more than one person holds such an interest or interests in a Lot, it shall be the responsibility of those Owners to provide the Developer or the Association with written notification, with the signatures of all of those persons owning an interest in the Lot affixed, of the name and mailing address of that person authorized to receive notification from the Association and to cast said vote. Class "A" Membership shall be mandatory for all Owners except the Developer and may not be separated from ownership of any Lot.

(b) CLASS "B". The sole Class "B" Member shall be the Developer. The Class "B" Member shall be entitled to cast the greater of four (4) votes for each Lot for which it holds title or one more vote than the total votes of the Class "A" Members. Class "B" Membership shall end and Class "C" Membership shall automatically begin when one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, or at such time as the Developer voluntarily relinquishes its Class "B" Membership in writing to the Association. In addition to any and all rights granted to it in this Declaration, the Class "B" Member shall enjoy all of the rights granted to the Class "C" Member upon termination of the Class "B" Membership, prior to the termination of the Class "B" Membership.

(c) CLASS "C". The sole Class "C" Member shall be the Developer upon termination of its Class "B" Membership. The Class "C" Member shall have no voting rights and no assessment obligations. The Class "C" Member shall enjoy certain limited rights under this Declaration, the By-Laws, and the Regulations, including without limitation the right to: (1) obtain access to, and electronic and/or paper copies of, Association's books and records, including financial and membership data; (2) exercise the Declaration's enforcement powers pursuant to Article X, Section 5 of this Declaration, and (3) call Special Meetings of the Association on any topic or issue it sees fit in its sole discretion, although the Class "C" Member would not be entitled to vote at said meeting. Class "C" Membership shall terminate at the voluntary discretion of the Developer, although there is no requirement that it be terminated.

ARTICLE IV
PROPERTY RIGHTS IN THE COMMON AREA

Section 1. MEMBER'S EASEMENTS OF ENJOYMENT. Subject to the rights reserved by the Developer in this Declaration, including without limitation those contained in Section 3 of this Article IV, the right of the Association to suspend the use of the Common Area as set out in Article X, and the Regulations established and amended from time to time, every Member shall have a right and easement of enjoyment in and to the Common Area, and such easement shall be appurtenant to and shall pass with the title to every Lot. (See Article X for the Association's Remedies for Violations.)

Section 2. TITLE TO COMMON AREA. On or before the conveyance of the last Lot owned by the Developer, the Developer will convey to the Association, by limited warranty deed, fee simple title to the Common Area, as adjusted by the Developer, or the Board of Directors, under the authority granted to the Developer herein, free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration, and further except for easements and restrictions existing of record prior to the purchase of the Property by the Developer, none of which will make the title unmarketable. The Developer hereby reserves the right to amend said Common Area deed or file a corrective Common Area deed or file additional Common Area deeds at its sole discretion regardless of whether Developer still owns any portion of the Property or not. The Association and all Owners, by virtue of their acceptance of the deed to their Lot, hereby consent to acceptance of any and all Common Area deeds or conservation easements executed by Developer without the need for any further notice or consent from Developer, including without limitation all amended, corrective, and additional Common Area deeds or conservation easements executed by Developer. Further, at the Developer's request, the Association shall execute and deliver all necessary documents to effectuate proper execution and recording of said Common Area deeds or conservation easements.

This section shall not be amended, as provided for in Article XII, Section 5, to eliminate or substantially impair the obligation for the maintenance and repair of the Common Area.

Section 3. EXTENT OF MEMBER'S EASEMENTS. The rights and easements created hereby shall be subject to the following rights which are hereby reserved to the Developer or the Association's Board of Directors, When Empowered:

(a) The right of the Developer, and of the Association, When Empowered, to dedicate, transfer, or convey all or any part of the Common Area, with or without consideration, to any governmental body, district, agency, or authority, or to any utility company, and the right of the Developer and of the Association, When Empowered, to convey with consideration all or any part of the Common Area upon affirmative vote of more than fifty (50%) percent of the total votes of the Members, cast at a duly called meeting of the Members or a recorded resolution signed by the Members holding more than fifty (50%) percent of the vote of the Members.

(b) The right of the Developer, and of the Association, When Empowered, to grant and reserve easements and rights of way through, under, over, and across Common Area, for the installation, maintenance, and inspection of lines and appurtenances for public and private water, sewer, drainage, and other utility services, including a cable 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 Area for the operation and maintenance of the Common Area.

(c) The right of the Developer, and of the Association, When Empowered, to grant conservation easements through, under, over, and across any portion of the Common Area. The Association shall grant such conservation easements over Common Areas as directed to by the Developer, regardless of whether or not the Developer still owns any portion of the Property. The Developer hereby reserves the right to enter any portion of the Common Area and perform modifications to it based on conservation or preservation of environmentally sensitive areas, regardless of whether or not the Developer still owns any portion of the Property.

(d) The right of visitors, invitees, and guests to ingress and egress in and over those portions of Common Area that lie within any private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Area in the case of landlocked adjacent Owners) to the nearest public highway.

(e) The right of the Association, in accordance with the law, its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Area and, in pursuance thereof, to mortgage or encumber the Common Area.

(f) Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, by the filing of an Amendment or Addendum to this Declaration which describes the Property, the Developer shall have the sole authority to sell portions of the Common Area on behalf of the Association, to increase or decrease the size of the Common Area, to add or remove Common Area or to change the location of Common Areas, whether these tracts have been deeded to the Association or are projected to be or have been designated by the Developer as a Common Area. Thereafter this authority shall be transferred to the Association and any adjustment to the detentions or the location of the Common Area and any sale of Common Area by the Association shall be approved by more than 50% of the members of the Association entitled to vote.

(g) The right of the Developer, and of the Association, When Empowered, to restrict Common Area located within a Specific Purpose Area for the exclusive use and enjoyment of only those Owners who own Lots in the Specific Purpose Area.

Section 4. DELEGATION OF RIGHTS OF ENJOYMENT. Any Owner may delegate, in accordance with the By-Laws of the Association, his right of enjoyment to the Common Area and

facilities to his family, tenants, invitees, guests or licensee, subject to the Regulations established and amended from time to time. Any Owner shall at all times be responsible for and liable for the actions of that Owner's family, tenants, invitees, guests or licensees, employees, pets, and animals, or anyone else on the Common Area with the permission of said Owner or otherwise on the Common Area due to the actions or lack of action taken by said Owner, and shall further be responsible for the paying of any Assessments for Non-Compliance levied for their non-compliance with this Declaration, the By-Laws of the Association or the Regulations established and amended from time to time, which Assessment shall become a continuing lien on the Lot of such Owner.

Section 5. ADDITIONAL STRUCTURES. Neither the Association nor any Owner shall, without the prior written approval of the Developer, so long as the Developer owns one (1) Lot permitted by the Master Plan of the Community, or without written approval of the Board of Directors, When Empowered, erect, construct, or otherwise locate any Structure or other improvement in the Common Area. The Developer, so long as the Developer owns one (1) Lot permitted by the Master Plan of the Community, reserves the right to erect, construct, or otherwise locate any additional Structure or other improvement in the Common Area.

ARTICLE V
COMPLETION, MAINTENANCE, AND OPERATION OF COMMON AREA AND FACILITIES

Section 1. COMPLETION OF COMMON AREA BY THE DEVELOPER. The Developer will complete the construction of the Common Area, as adjusted, and the streets and roadways for the Community as shown on the recorded plats of the Community.

Section 2. MAINTENANCE AND OPERATION OF COMMON AREA. The Association at its sole cost and expense, shall operate and maintain the Common Area and Area of Common Responsibility and provide the requisite services in connection therewith; provided, however, the Association is under no obligation to maintain those portions of the Area of Common Responsibility that are not Common Area and therefore the Association, at its sole discretion, may require the owners of such areas to provide their own maintenance rather than the Association. It shall further be the responsibility of the Association to maintain all entrances including entrance signs, roads and parking areas within the community that are not maintained by some other entity or that are defined on an attached exhibit to this Declaration, or shown on a recorded plat, lights, sprinklers, shrubs, and to pay the cost of utility bills and other such requisite services in connection with the maintenance of the above. Unless located on a Lot or accepted by another responsible party (including without limitation public bodies, governmental bodies, districts, agencies or authorities), all roadways and parking areas within the Community, whether located on Common Area or not, shall be maintained by the Association. Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, if the Association fails to operate, maintain or repair the Common Area to the satisfaction of the Developer or fails to employ contractors which the Developer, in its sole discretion, determines to be able to properly operate or maintain the Common

Area, the Developer may, but is not required to, notify the Association to correct the maintenance problem or remove the contractor. If the Association fails to do so within the time set forth in the notice, the Developer may, but is not required to, correct said maintenance problem or remove and replace such contractor. The Association shall reimburse the Developer for any and all costs incurred by the Developer and the cost including collection costs incurred by the Developer shall be a lien on the Common Area. This Section shall not be amended or removed without the written consent of the Developer. Any entry by the Developer under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer for the purpose of entry onto the Common Area for the purpose of enforcing this paragraph. This provision shall not be construed as an obligation on the part of the Developer to provide garbage or trash removal services. As provided herein, these rights may be assigned by the Developer. The Association shall hold harmless the Developer, its agents, officers, directors, and employees from any liability arising out of correcting the Association's breach of this Section. The maintenance, operation, and repair of the Common Area shall include, but not be limited to, repair of damage to pavements, roadways, walkways, outdoor lighting, buildings, if any, recreational equipment, if any, fences, storm drains, and sewer and water lines, connections, and appurtenances, except when such responsibilities are accepted by responsible parties, including public bodies, governmental bodies, districts, agencies or authorities and only for so long as they properly perform.

Section 3. DEDICATION OF STREETS AND ROADWAYS. If and when any streets or roadways located within the Community are dedicated to, or otherwise accepted by, responsible parties including without limitation public bodies, governmental bodies, districts, agencies or authorities, the dedication or acceptance shall be subject to the covenants, conditions, restrictions, easements, charges and liens contained in this Declaration, as amended, whether or not it shall be so expressed in any such deed, other conveyance, or plat.

ARTICLE VI
ASSESSMENTS

Section 1. ASSESSMENTS

(a) Each and every Owner of any Lot or Lots within the Property, by acceptance of a deed to a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be personally obligated to pay to the Association, the Assessments, and the Association's collection fees, attorney's fees and court cost incurred in collecting the Assessments, or in enforcing or attempting to enforce the Declaration, By-Laws and the Architectural Guidelines and Regulations established or amended from time to time by the Developer or the Board of Directors, When Empowered.

(b) Assessments, together with such interest thereon, and other costs of collection; including the Association collection fees, attorney fees and court costs shall be a charge on the land and shall be a continuing lien upon the Lot or Lots against which such Assessments are levied. Owners of any Lot shall share in the obligation of any other Owner of that Lot and shall be jointly and severally liable for any Assessments, the cost of collection, attorney fees and court costs that are attributable to that Lot.

In the event an Owner holds title to multiple Lots in the Community, including without limitation, builders, the Association's continuing lien shall be treated as one all-encompassing lien over all the Lots of that Owner for purposes of the remedies set forth in Article X of this Declaration.

(c) The Association shall, upon demand at any time, furnish to any Owner or attorney representing the prospective purchaser of a Lot, a certificate in writing signed by an officer of the Association, setting forth whether said Assessments have been paid. Such certificate shall be conclusive evidence of payment of any Assessments therein stated to have been paid. At all times the Association's records with respect to payments made or due shall be deemed correct unless proper documentation to the contrary can be produced.

(d) This Article shall not be amended as provided in Article XII, Section 5, to eliminate or substantially impair the obligation to fix the Assessments at an amount sufficient to properly operate the Association, maintain and operate the Common Area and perform the maintenance required to be performed by the Association under this Declaration without the written consent of the Developer.

(e) There shall be six types of Assessments: (1) Regular Assessments; (2) Assessments for non-compliance with this Declaration, the By-Laws of the Association, and the Regulations established and amended from time to time; (3) Assessments for Capital Improvements as described in Section 4 below; (4) Assessments for Working Capital Fund as described in Section 5 below; (5) Assessments for Budgetary Shortfall as described in Section 6 below; and (6) Specific Purpose Assessments, if and when Specific Purpose Areas are designated, as described in Section 7 below. Such Assessments to be fixed, established, and collected from time to time as herein after provided. (See Section X for Remedies of the Association for Violation.)

(f) Upon conveyance of any Lot owned by the Developer to any third party, including without limitation to any builders, the Developer in its sole discretion may elect to delay imposition of any type of Assessment on the new Owner, in part or in full, for as long as Developer sees fit; PROVIDED that Developer either (1) pays the applicable Assessments attributable to the Lot during this time or (2) pays the deficits in the expenses and capital reserves (but not contingencies) of the Association not paid by the Assessments, so long as the responsibilities of the Association within the approved budget are properly met.

Section 2. REGULAR ASSESSMENTS.

(a) The Regular Assessments levied by the Association shall be used exclusively for the purposes of the general operation of the Association, reserves and the promotion of the health, safety, and welfare of the residents of the Community, and in particular for the improvement and maintenance of the Common Areas and Areas of Common Responsibility, including but not limited to, the payment of mortgages, taxes and insurance thereon, and repair, replacement, and additions thereof, the cost of labor, equipment, materials, management, Treasurer fees, and supervision thereof, and the cost of lawn and landscaping maintenance, and refuse collection; reserves for the replacement

of the Association property and improvements to the Common Area; and all other obligations or debts incurred by the Association.

(b) The Developer or the Board of Directors of the Association, When Empowered, shall at all times fix the Regular Assessment based on the Association's budget for the period of the Regular Assessment. The amount of the Regular Assessment shall be uniform for each Lot except as set forth herein and shall be assessed against all Lots at the time of the Assessment. The Developer or Board of Directors, When Empowered, shall once each year create a budget and fix the date of commencement, the size and number of installments, the method of determining the amount of all Regular Assessments against each Owner of a Lot, and shall, at that time, prepare a roster of the Owners and the Assessments applicable thereto. The roster shall be kept in the office of the Association and shall be opened to inspection by any Owner. If the Developer or the Board of Directors, When Empowered, fails to set a Regular Assessment, then the previous Assessment or the previous installment schedule shall continue until the Regular Assessment is set. A copy of the budget or any amended budget and written notice of the Regular Assessment and adjustment thereof, shall be sent to every Owner subject thereto, identifying the amount(s), due date(s), and the address to which payments are to be sent, at least thirty (30) days in advance of the due date of the first (or only) installment of each Regular Assessment. Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer shall have the option of approval of any portion of the budget.

(c) The Developer or the Board of Directors, When Empowered, shall have the right to adjust the amount and installment schedule of the Regular Assessment without Membership approval for the purpose of meeting the budgetary obligations of the Association and in times of an unexpected cashflow shortfall. In the event of an unbudgeted cash surplus, the Developer or the Board of Directors, When Empowered, shall have the authority to apply some or all of the surplus toward its capital improvement fund or capital reserve fund. The Developer or the Board of Directors, When Empowered, may, at its sole discretion, set estimated Regular Assessments until the Regular Assessment is set and the budget completed, or may delay the billing of Regular Assessments until the budget is complete and then bill the Owners for the Regular Assessment for the entire budget period.

(d) Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer may also choose the option of either (1) paying the Regular Assessments attributable to the Lots owned by the Developer at the time that the Regular Assessments are due and paying a prorated Regular Assessment for the incorporation of additional Lots in the Community during the budget period or (2) paying the deficits in the expenses and capital reserves (but not contingencies) of the Association not paid by the Regular Assessments, so long as the responsibilities of the Association within the approved budget are properly met. Any expenses of the Association paid by and any advances paid to the Association by the Developer which are in excess of the amount due from the Developer for Regular Assessments for Lots owned by the Developer, or if the Developer chooses to pay deficit expense, the amount paid by

the Developer to or for the Association which exceeds the actual deficit, at the option of the Developer, shall be considered a loan to the Association, repayable under terms established by the Developer, and which are reasonably acceptable to the Board of Directors of the Association. Once the Developer becomes a Class "C" Member, it no longer shall be obligated to pay any Assessments or deficits.

(e) Any Regular Assessment against Lots owned by the Developer (including those Lots added to the Community after the date of the Assessment) shall not be due until the end of the period for which the Regular Assessment is established, provided, however, if the Developer has elected not to pay Regular Assessments and instead to pay the deficits in the expenses and capital reserves of the Association and fails to pay such deficits within thirty (30) days after the end of the budget period, the Regular Assessment for Lots owned by the Developer shall be due in thirty (30) days after the Association notifies the Developer of its failure to pay the deficits at the end of the budget period.

(f) At the time of the closing of a Lot owned by the Developer, if the Regular Assessment for that period has been paid by the Developer, that portion of the Regular Assessment that is attributable to the balance of the period shall be collected and paid to the Developer by the purchaser of the Lot. Any sums not reimbursed to the Developer, shall also be a lien on the Lot. All other Assessments, when levied, shall be the responsibility of the Owner of record on the date that the Assessment is authorized by the Developer or by the Board of Directors of the Association, When Empowered.

Section 3. ASSESSMENTS FOR NON-COMPLIANCE. In the event that any Owner, their guests or invitees fail to comply with any of the provisions of the Declaration, the By-Laws of the Association, the Architectural Guidelines and Regulations established and amended by the Developer or the Board of Directors, When Empowered, from time to time, relating to any portion of the Community, including without limitation violations occurring on Lots, Areas of Extended Lot Owner Responsibility, Common Areas, and streets, the Developer and the Board of Directors, When Empowered, may issue Assessments against the responsible Lot Owner(s) in amounts as it determines in its sole discretion, which shall be an Assessment for Non-Compliance and which are a lien on the Lot or Lots of that Owner(s). The Developer shall retain the power to levy Assessments for Non-Compliance even after the Association becomes entitled to exercise such power, including after Developer's Class "B" Membership is converted to Class "C" Membership. Therefore, the rights of the Developer and of the Association under this Section are not mutually exclusive. (See Article X for Remedies of the Association.)

Section 4. ASSESSMENTS FOR CAPITAL REPAIR OR IMPROVEMENTS. In addition to the Regular Assessments, the Association may levy, in any period, an Assessment (which must be fixed at a uniform rate for all Lots) for the purpose of defraying, in whole or in part, the cost of any construction or any reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area or Area of Common Responsibility, including the necessary fixtures, equipment and personal property relating thereto, provided that such Assessment shall have the assent of more than fifty (50%) percent of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than

thirty (30) days and no more than sixty (60) days in advance of the meeting provided, however, these periods for notice may be shorter as necessary to obtain funds for emergency repairs to the Structures on the Common Area. Subject to the provisions of Section 2, the due date or due dates of any installment of any such Assessment shall be fixed in the resolution authorizing such Assessment.

Section 5. ASSESSMENT FOR WORKING CAPITAL FUND. At the time of acquiring title to a Lot from the Developer or from a contractor who purchased the Lot from the Developer and completed the Dwelling and Structures on the Lot, the Owner acquiring title to the Lot shall, at the option of the Developer or the Board of Directors, When Empowered, deposit with the Association a reserve fund payment in a sum to be determined from to time by the Developer or Board of Directors, When Empowered, to provide for a working capital fund for the obligations of the Association. Such working capital fund payment shall in no way be considered a prepayment of the Regular Assessment. Such working capital fund payments shall be used for the purposes as determined from time to time by the Developer or the Board of Directors of the Association, When Empowered.

Section 6. ASSESSMENTS FOR BUDGETARY SHORTFALL. In addition to the Regular Assessment, the Developer or the Board of Directors, When Empowered, may, at its option, draw from the appropriate reserve funding or working capital funds or may levy, in any period, an Assessment (which must be fixed at a uniform rate for all Lots), subject to the provisions of Section 2, applicable to that period only, to cover any unexpected shortfall in the cashflow of the Association. Said Assessment shall not require the approval of the Membership.

Section 7. SPECIFIC PURPOSE ASSESSMENTS.

(a) In addition to the Regular Assessment charged each Owner of a Lot, should additional services or maintenance be provided by the Association for Owners of Lots in a Specific Purpose Area within the Community, if and when designated, the Developer or the Board of Directors of the Association, When Empowered, shall have the authority to levy an Assessment applicable only to such Lots in the Specific Purpose Area ("Specific Purpose Assessment"), based upon a budget approved by the Board of Directors to fund these special services or maintenance and the Association's cost of implementing and administering these services or maintenance, as well as to fund reserves and contingencies needed to assure that these services or maintenance can be provided. Provided, however, until one hundred percent (100%) of the Dwellings shown on the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer shall have the authority to determine and to approve or disapprove any increase or decrease to the services or maintenance to be provided to any Specific Purpose Area and the appropriate increase or decrease to the Specific Purpose Assessment for those services or maintenance. Subject to the Developer's rights, the Board of Directors, when empowered, may increase or decrease the services or maintenance to be provided to a Specific Purpose Area and increase or decrease the Specific Purpose Assessment for these services or maintenance, provided, however, the Members of the Specific Purpose Area may repeal such action of the Board of Directors by vote of 51% of the Members subjected to the Specific Purpose Assessment.

Notwithstanding their responsibility when asked by the Board of Directors to create a budget for approval by the Board of Directors to include the cost of existing services or maintenance being provided to a Specific Purpose Area and subject to the Developer's rights, the Specific Purpose Committee, with the affirmative vote of 2/3 of the Members in the Specific Purpose Area, may increase or decrease the services or maintenance to be provided to a Specific Purpose Area and increase or decrease the Specific Purpose Assessment as it deems appropriate.

(b) If and when a Specific Purpose Area is designated, the Developer or the Board of Directors of the Association, When Empowered, shall at all times fix the Specific Purpose Assessment based on the budget prepared by the Board of Directors or its designee in accordance with the By-Laws for the period of the Specific Purpose Assessment. The Board of Directors, When Empowered, may at its sole option, appoint or cause to be elected by the Members subject to the Specific Purpose Assessment, a Specific Purpose Committee created for the purpose of being its designee with respect to the creation of a Specific Purpose Area budget and for other purposes that the Board of Directors may determine, including the management and administration of the services or maintenance to be provided for the Members subject to the Specific Purpose Assessment. Should a Specific Purpose Committee, after being directed to manage and administer these services or maintenance by the Board of Directors, refuse to accept any portion of the responsibility required of them by the Board of Directors or fail to perform the duties set out by the Board of Directors, the Board of Directors shall at its option, continue or discontinue these services or maintenance, and adjust the Specific Purpose Assessment as the Board of Directors deems appropriate. The amount of the Specific Purpose Assessment that is approved by the Board of Directors shall be uniform for each Lot in the Specific Purpose Area, except as set forth herein, and shall be assessed against all Lots in the Specific Purpose Area at the time of Assessment; provided, however, that the Developer or the Board of Directors, When Empowered, may vary the amount of the Specific Purpose Assessment amongst Lots within a Specific Purpose Area based on the benefit(s) provided to, or received by, some but not all Lots in the Specific Purpose Area. The Board of Directors or its designee shall, in accordance with the By-Laws, once each year create a budget, fix the date of commencement, the size and number of installments, the method of determining the amount of all Specific Purpose Assessments against each Owner of a Lot, and shall, at that time, prepare a roster of the Owners and the Specific Purpose Assessments applicable thereto, all of which shall be submitted to the Board of Directors for approval as required by the By-Laws. The roster shall be kept in the office of the Association and shall be opened to inspection by any Owner. A copy of the budget, or any amended budget and written notice of the Specific Purpose Assessment and adjustment thereof, shall be sent to every Owner subject thereto, identifying the amount(s), due date(s), and the address to which payments are to be sent, at least thirty (30) days in advance of the due date of the first (or only) installment of each Specific Purpose Assessment. Until one hundred percent (100%) of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer shall have the option of approval of any portion of a budget or the amount of a Specific Purpose Assessment.

(c) If and when a Specific Purpose Area is designated, the Developer or the Board of

Directors, When Empowered (by a two-thirds vote of a three-member appointed Board of Directors or a four-fifths vote of a five-member elected Board of Directors), shall have the right to adjust the amount and installment schedule of the Specific Purpose Assessment without Membership approval for the purpose of meeting the budgetary obligations of the Specific Purpose Area and in times of an unexpected cash flow shortfall. The Developer or the Board of Directors, When Empowered (by a two-thirds vote of a three-member appointed Board of Directors or a four-fifths vote of a five-member elected Board of Directors), may, at its sole discretion, set estimated Specific Purpose Assessments until the Specific Purpose Assessment is set and the budget completed, or may delay the billing of Specific Purpose Assessments until the budget is complete and then bill the Owners for the Specific Purpose Assessment for the entire budget period.

(d) Until one hundred percent (100%) of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, if and when a Specific Purpose Area is designated, the Developer may also choose the option of either: (1) paying the Specific Purpose Assessments attributable to the Lots owned by the Developer at the time that the Specific Purpose Assessments are due and paying a prorated Specific Purpose Assessment for the incorporation of additional Lots during the budget period; or (2) paying the deficits in the expenses and capital reserves (but not contingencies) of the Association not paid by the Specific Purpose Assessments, so long as the responsibilities of the Association within the approved budget are properly met. Any expenses of the Association paid by and any advances paid to the Association by the Developer which are in excess of the amount due from the Developer for Specific Purpose Assessments for Lots owned by the Developer, or if the Developer chooses to pay deficit expenses, the amount paid by the Developer to or for the Association which exceeds the actual deficit, at the option of the Developer shall be considered a loan to the Association, repayable under terms established by the Developer and which are reasonably acceptable to the Board of Directors of the Association. Once the Developer becomes a Class "C" Member, it no longer shall be obligated to pay any Specific Purpose Assessments or deficits.

(e) Any Specific Purpose Assessment against Lots owned by the Developer (including those added to the Community after the date of the Assessment) shall not be due until the end of the period for which the Specific Purpose Assessment is established, provided, however, if the Developer has elected not to pay the Specific Purpose Assessments and instead pay the deficits in the expenses and capital reserves of the Association, and fails to pay such deficits within thirty (30) days after the end of the budget period, the Specific Purpose Assessment for such Lots owned by the Developer shall be due in thirty (30) days after the Association notifies the Developer of its failure to pay the deficits at the end of the budget period.

(f) At the time of the closing of a Lot owned by the Developer, if the Specific Purpose Assessment for that period has been paid by the Developer, that portion of the Specific Purpose Assessment that is attributable to the balance of the period shall be collected and paid to the Developer by the purchaser of the Lot. Any sums not reimbursed to the Developer shall also be a lien on the Lot. All other Assessments, when levied, shall be the responsibility of the Owner of record on

the date that the Assessment is authorized by the Developer or by the Board of Directors of the Association, When Empowered.

(g) If a Neighborhood and a Specific Purpose Area have been designated for the exact same portion of the Community, the Specific Purpose Assessment may be referred to as a "Neighborhood Assessment."

Section 8. SUBORDINATION OF THE LIEN TO MORTGAGES. The liens provided for herein shall be subordinate to the lien of any first lien, mortgage or deed of trust recorded prior to the recording of the Notice of Delinquency by the Association or the Developer in the Office of the Register of Deeds for the County in which the Lot is located. Sale or transfer of any Lot shall not affect the liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any such first lien, mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of Assessments under the Notice of Delinquency when recorded prior to such mortgage as to the payment thereof which becomes due prior to such sale or transfer but shall not relieve any Owner in possession of a Lot prior to such foreclosure sale or deed of trust from any personal obligation defined herein for the payment of Assessments. No such sale or transfer shall relieve such Owner from liability for any Assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any subsequent first lien, mortgage or deed of trust, except for liens for Assessment due from subsequent Owners of the Lot if the Notice of Delinquency is recorded prior to the subsequent first lien mortgage.

Section 9. EXEMPT PROPERTY. The following properties subject to this Declaration shall be exempt from the dues, Assessments, charges, and liens created herein: (a) All Common Area, as defined in Article I, Section 1 hereof and (b) streets and road rights-of-way. Not withstanding any provision herein, no Lots shall be exempt from said liens.

ARTICLE VII
ARCHITECTURAL CONTROL

Section 1. ARCHITECTURAL CONTROL AUTHORITIES. The Architectural Control Authorities when established by the Developer or the Board of Directors of the Association, When Empowered, shall be composed of at least three (3) representatives. Each Neighborhood, if and when designated, may have its own Architectural Control Authority established by the Developer or the Board of Directors of the Association, When Empowered. The representatives of each Neighborhood Architectural Control Authority need not own Lots in the same Neighborhood as the Neighborhood Architectural Control Authority they are serving on.

Section 2. PROCEDURES.

(a) Any person desiring to construct, maintain, place, replace, reconstruct any Structure on any Lot, Area of Extended Lot Owner Responsibility or Common Area or to make any

improvements, alteration or changes to any Structure, in addition to obtaining any and all applicable property owner or governmental approvals, shall submit Plans and any other documentation required by the Architectural Guidelines to the Developer or the appropriate Architectural Control Authority, When Empowered, which shall evaluate, approve, disapprove or refuse to approve in writing such Plans in light of the purpose of the Declaration. The Developer and the Architectural Control Authority, When Empowered, shall have the complete discretion to withhold review of any and all plans submitted to it from an Owner who is not in good standing as a Member of the Association, including without limitation Members who owe past due Assessments on any Lot in the Community. Any person using any Structure shall comply with the Regulations established and amended from time to time. An aggrieved Owner may appeal the final decision of the Architectural Control Authority to the Developer or the Board of Directors, When Empowered, through the processes required by the Architectural Control Authority or as set forth in the Architectural Guidelines or the Regulations. The failure to publish Architectural Guidelines shall not in any manner adversely affect the architectural review authority of the Developer, the Board of Directors, When Empowered, or the Architectural Control Authority, When Empowered as set forth in this Declaration, including without limitation the authority to approve any and all Structures on any and all Lots, Areas of Extended Lot Owner Responsibility or Common Areas.

(b) The Developer, or the Architectural Control Authority, When Empowered, may charge a reasonable review fee for its initial review, the amount of which shall be established by the Developer or the Architectural Control Authority in the Architectural Guidelines, from time to time. The Developer or the Architectural Control Authority, When Empowered, may at its option, employ outside professional services for initial review and may pay them accordingly for this service. The charging of fees and the hiring of professionals for this purpose by the Architectural Control Authority must be approved by the Developer or the Board of Directors of the Association, When Empowered. Subsequent reviews may require additional fees.

(c) **APPROVAL BY THE DEVELOPER, BOARD OF DIRECTORS OR THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED, OF ANY PLANS AND SPECIFICATIONS OR THE GRANTING OF A VARIANCE WITH RESPECT TO ANY OF THE ARCHITECTURAL GUIDELINES AND REGULATIONS, WHEN ESTABLISHED, SHALL NOT IN ANY WAY BE CONSTRUED TO SET A PRECEDENT FOR APPROVAL, ALTER IN ANY WAY THE PUBLISHED ARCHITECTURAL GUIDELINES, WHEN ESTABLISHED, OR BE DEEMED A WAIVER OF THE DEVELOPER'S OR OF THE ARCHITECTURAL CONTROL AUTHORITY'S, WHEN EMPOWERED, RIGHT IN ITS DISCRETION, TO DISAPPROVE SIMILAR PLANS AND SPECIFICATIONS, USE OF ANY STRUCTURE OR ANY OF THE FEATURES OR ELEMENTS WHICH ARE SUBSEQUENTLY SUBMITTED FOR USE IN CONNECTION WITH ANY OTHER LOT.** Except for the right of the Developer or Board Of Directors to approve or disapprove the Plans on appeal, approval of the Plans relating to any Lot or Area of Extended Lot Owner Responsibility shall be final as to that Lot or Area of Extended Lot Owner Responsibility and such approval may not be reviewed or rescinded thereafter by the Architectural Control Authority,

provided that there has been adherence to, and compliance with the Plans as approved in writing, and any conditions attached to any such approval and the Regulations.

(d) The Developer or Architectural Control Authority, When Empowered, may, at it's option, require the Owner to make a deposit to insure compliance with the approval or the Regulations in an amount and upon conditions to be determined by the Developer or Architectural Control Authority, When Empowered. The setting of an amount as a compliance deposit or of conditions for compliance for any one Lot, shall not in any way act to set a precedent or effect in any way the setting of an amount or conditions of compliance for any other Lot or for any other set of Plans which are to be or have been approved within the Architectural Control Authority. The terms for waiver of any deposit and for the determination of the deposit amount, conditions of payment and the release to an Owner of any remaining portion of said compliance deposit, shall be defined in the Architectural Guidelines and Regulations. Nothing herein shall be deemed to waive or limit in any way any other remedies of the Developer, including those to insure compliance with the Architectural Guidelines and Regulations, or any Owner under this Declaration or at law.

(e) NEITHER THE DEVELOPER, ITS AGENTS, EMPLOYEES, DIRECTORS, OFFICERS NOR ANY OTHER MEMBER OF AN ARCHITECTURAL CONTROL AUTHORITY, SHALL BE RESPONSIBLE OR LIABLE IN ANY WAY FOR THE DEFECTS, STRUCTURAL OR OTHERWISE, IN ANY PLANS OR SPECIFICATIONS APPROVED BY THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED, NOR FOR ANY DEFECTS IN ANY WORK DONE ACCORDING TO THE PLANS AND SPECIFICATIONS APPROVED BY THE DEVELOPER, THE BOARD OF DIRECTORS OR ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED. FURTHER, NEITHER THE DEVELOPER, THE ASSOCIATION, ARCHITECTURAL CONTROL AUTHORITY, OR THEIR RESPECTIVE SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, OR ATTORNEYS SHALL BE LIABLE TO ANYONE BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, MISFEASANCE, MALFEASANCE OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS OR THE EXERCISE OF ANY OTHER POWER OR RIGHT OF THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY PROVIDED FOR IN THIS DECLARATION. EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS TO THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED, FOR APPROVAL AGREES, BY SUBMISSION OF SUCH PLAN AND SPECIFICATIONS, AND EVERY OWNER OF ANY LOT AGREES, THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST THE DEVELOPER, THE ASSOCIATION, THE MEMBERS OF ITS BOARD OF DIRECTORS OR THEIR AGENTS, EMPLOYEES AND OFFICERS, OR ANY MEMBER OR AGENTS OF THE ARCHITECTURAL CONTROL AUTHORITY, TO RECOVER ANY DAMAGES ARISING OUT OF SUCH APPROVAL OR DISAPPROVAL, AND, EACH OWNER BY ACCEPTANCE OF THE DEED TO THE LOT, RELEASES, REMISES, QUIT CLAIMS, AND COVENANTS NOT TO SUE FOR, ALL

CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH SUCH APPROVAL OR DISAPPROVAL, NOTWITHSTANDING, ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

ARTICLE VIII
OWNER'S MAINTENANCE RESPONSIBILITIES

Section 1. OWNER'S MAINTENANCE RESPONSIBILITIES. Unless specifically identified herein or specifically elected by the Developer or the Board of Directors, When Empowered, as being the responsibility of the Association, all maintenance and repair of a Lot or Area of Extended Lot Owner Responsibility, together with all portions of the Dwelling, and other Structures on the Lot, including without limitation landscaping maintenance, shall be the responsibility of the Owner of such Lot. The responsibility of each Owner shall include, but not limited to, the painting, maintenance, repair, and replacement of walls or fences, and all siding, exterior doors, fixtures, mailboxes, equipment, and appliances (including, without limitation, the heating and air-conditioning system for the Dwelling) and all chutes, flues, ducts, conduits, wires, pipes, plumbing or other apparatus which are deemed to be a part of the Dwelling or Lot or Area of Extended Lot Owner Responsibility, and the lawns, trees, shrubs, fences, grass, driveways, walkways or sidewalks and any other landscaping component on the Lot or Area of Extended Lot Owner Responsibility. The responsibility of the Owner shall also include, but not be limited to, the maintenance, repair, and replacement of all glass, lights and light fixtures (exterior and interior), awnings, window boxes, window treatments, window screens, and all screens or glass-enclosed porches, balconies, or decks which are a part of the Dwelling. Each Owner shall also maintain roof, gutters and downspouts in a good state of repair. In addition, each Owner shall maintain their trash receptacles in such a manner as to prevent any foul or unpleasant odors from disturbing others, or odors that may attract animals. Each Owner shall ensure that trash receptacles containing building or construction waste and debris are maintained in a manner in keeping with the requirements of this Section, including without limitation the responsibility of keeping said receptacles from becoming overloaded with waste and debris or becoming an aesthetic eyesore or potential danger for others in the Community. The Developer and the Association, When Empowered, shall have the authority to enforce an Owner's maintenance responsibilities under this Article, pursuant to remedies set forth in this Declaration.

Section 2. OWNER MUST PROVIDE INSURANCE OF DWELLING. Each Owner shall, at its own expense, insure the Dwelling and all other insurable improvements on the Lot in an amount not less than the then current maximum insurable replacement value thereof. Such coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsements and such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm and water damage.

Section 3. RECONSTRUCTION OR REPAIR OF DAMAGED DWELLING. If any Dwelling shall be damaged by casualty, the Owner of such Dwelling shall promptly reconstruct or repair it so as to restore such Dwelling nearly as possible to its condition prior to suffering the damage. All such reconstruction and repair work shall be done in accordance with plans and specifications therefor, approved by the Developer, or Board of Directors, When Empowered. Encroachments upon or in favor of Dwelling or Lots, which may be necessary for or created as a result of such reconstruction or repair, shall not constitute a claim or basis of a proceeding or action by the Owner on whose Dwelling or Lot such encroachment exists, provided that such reconstruction or repair is done substantially in accordance with the plans and specifications approved by the Developer, or Architectural Control Authority, When Empowered, or as the building was originally constructed.

ARTICLE IX
GRADING, DRAINAGE, EROSION CONTROL AND MINOR DRAINAGE

Section 1. GENERAL GRADING, DRAINAGE AND EROSION CONTROL. FOR PURPOSES OF THIS ARTICLE, THE RESPONSIBILITIES HEREINAFTER DESCRIBED OF AN OWNER OF A LOT SHALL INCLUDE THE CORRESPONDING AREA OF EXTENDED LOT OWNER RESPONSIBILITY, IN ADDITION TO THE LOT ITSELF. THE TOTAL RESPONSIBILITY FOR AND COST OF COMPLIANCE WITH THIS SECTION OF THE DECLARATION SHALL BE THAT OF THE OWNER OF THE LOT. ANY OR ALL OF THE RESPONSIBILITY OF THE DEVELOPER AS A LOT OWNER FOR DRAINAGE AND EROSION CONTROL ON OR FROM A LOT AND FOR THE COST THEREOF MAY, IF SO STATED IN THAT AGREEMENT, BE TRANSFERRED THROUGH THE EXECUTION OF A WRITTEN AGREEMENT BETWEEN THE DEVELOPER AND AN INDIVIDUAL OR ENTITY PURCHASING THAT LOT. THE DEVELOPER, OR THE ASSOCIATION, WHEN EMPOWERED, SHALL HAVE AS REMEDIES FOR NON-COMPLIANCE, THE LEVYING OF ASSESSMENTS FOR NON-COMPLIANCE AGAINST THAT LOT, THE AUTHORITY TO ENTER THE LOT AND TAKE APPROPRIATE ACTION TO REMEDY THE VIOLATION OR THE AUTHORITY TO BRING LEGAL ACTION TO FORCE THE OWNER OF THE LOT TO COMPLY WITH THE TERMS SET OUT HEREIN. IN THE EVENT THAT THE DEVELOPER OR THE ASSOCIATION TAKES SUCH ACTION TO ASSURE COMPLIANCE, AS WITH OTHER VIOLATIONS OF THE DECLARATION, ALL COSTS INCURRED BY THE DEVELOPER OR THE ASSOCIATION RELATED TO BRINGING THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY INTO COMPLIANCE SHALL BE THAT OF THE LOT OWNER AND COLLECTABLE BY THE DEVELOPER FROM THE LOT OWNER OR IF BY THE ASSOCIATION, SHALL BE MADE A PART OF THE ASSOCIATION'S CONTINUING LIEN ON THE LOT.

ALL GRADING, DURING AND AFTER CONSTRUCTION, SHALL AT ALL TIMES BE PERFORMED IN ACCORDANCE WITH (A) ANY APPLICABLE PORTIONS OF THE STORM WATER MANAGEMENT PLAN, OR ANY SEDIMENT AND EROSION CONTROL PLAN,

GRADING AND DRAINAGE PLAN, POLLUTION PREVENTION PLAN OR ANY OTHER APPLICABLE PLAN WHICH MAY BE ON FILE WITH THE DEVELOPER OR ASSOCIATION OR FILED WITH ANY APPLICABLE GOVERNMENTAL AGENCY OR AUTHORITY WHICH CONFORMS TO REGULATIONS PROMULGATED BY THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL AND/OR (B) ANY OTHER APPLICABLE LEGISLATION, LAW, STATUTE OR ORDINANCE GOVERNING THE CONTROL OF DRAINAGE. IT SHALL AT ALL TIMES BE THE RESPONSIBILITY OF THE OWNER OR CO-OWNER OF THE LOT OR, IN THE CASE OF THE CONTRACTUAL TRANSFER OF THE RESPONSIBILITY FOR COMPLIANCE DIRECTLY FROM THE DEVELOPER TO AN INDIVIDUAL OR ENTITY, THAT INDIVIDUAL OR ENTITY, TO REQUEST AND REVIEW ALL SUCH APPLICABLE PLANS. UNLESS SUCH A REQUEST IS MADE BY SAID LOT OWNER, CO-OWNER, INDIVIDUAL OR ENTITY, FAILURE ON THE PART OF THE DEVELOPER OR ASSOCIATION TO SUPPLY THAT LOT OWNER, CO-OWNER, INDIVIDUAL OR ENTITY WITH COPIES OF THE APPLICABLE PLANS SHALL NOT BE A DEFENSE FOR NON-COMPLIANCE OR RELEASE OF RESPONSIBILITY ON THE PART OF THAT LOT OWNER, CO-OWNER, BUILDER, INDIVIDUAL OR ENTITY. ANY LOT OWNER, CO-OWNER, INCLUDING BUILDERS, OR BUILDER, BY ACCEPTANCE OF THE DEED TO A LOT, AND AT ALL TIMES THEREAFTER, SHALL HAVE BEEN DEEMED TO HAVE AGREED TO AND ACCEPTED THE RESPONSIBILITY ESTABLISHED BY A CO-PERMITTEE AGREEMENT AND TO HAVE ASSUMED THE RESPONSIBILITIES OF A CO-PERMITTEE AND BE BOUND TO THE ABOVE MENTIONED PLANS AND INDEMNIFY AND HOLD THE DEVELOPER, THE ASSOCIATION AND THE ARCHITECTURAL CONTROL AUTHORITY HARMLESS FROM ANY AND ALL DEVIATIONS BY THE LOT OWNER, CO-OWNER, OR THEIR BUILDER FROM THAT PLAN OR FROM THE LOT OWNER'S, CO-OWNER'S OR BUILDER'S FAILURE TO COMPLY WITH THIS DECLARATION OR ANY APPLICABLE LEGISLATION, LAWS, STATUTES OR ORDINANCES, WHETHER SUCH LANGUAGE IS INCLUDED IN THAT DEED, CONTRACT, OR ACCEPTANCE OR ASSIGNMENT DOCUMENT OR WHETHER THEY HAVE EXECUTED A "CO-PERMITTEE AGREEMENT" OR NOT.

ALL TEMPORARY AND PERMANENT GRADING SHALL BE PERFORMED IN A MANNER TO ALLOW FOR PROPER DRAINAGE, TO PROPERLY MANAGE THE FLOW OF STORM WATER RUN-OFF AND TO CONTROL EROSION. DURING AND AFTER CONSTRUCTION, OWNER (AND DURING CONSTRUCTION, OWNER'S BUILDING CONTRACTOR) SHALL BE RESPONSIBLE FOR MAINTAINING ALL GRADING AND DRAINAGE TO PREVENT THE DAMMING OF WATER, INCREASED RUNOFF, OR EROSION THAT RESULTS IN SEDIMENT LOSS. IN NO CASE SHALL SEDIMENT BE ALLOWED TO WASH ONTO OR ACCUMULATE ON ADJACENT LOTS, ADJACENT PROPERTIES, INTO BODIES OF WATER, ONTO THE STREETS OF THE COMMUNITY OR INTO THE STORM DRAINAGE SYSTEM; OR TO ADVERSELY AFFECT ANY OF THESE AREAS OR STRUCTURES. LOT OWNER AND LOT OWNER'S BUILDING CONTRACTOR SHALL PROVIDE RIP-RAP, GRAVEL EXITS, WATER BARS, BERMS, SEDIMENT FENCES, HYDROSEEDING, SOD, OR OTHER FORMS OF EROSION CONTROL AS MAY BE

REQUIRED BY THE DEVELOPER, THE ASSOCIATION, OR THE ARCHITECTURAL CONTROL AUTHORITY OR ANY GOVERNMENTAL AGENCY.

OWNER (AND OWNER'S BUILDING CONTRACTOR UPON COMPLETION OF CONSTRUCTION) SHALL INSURE THAT THE GRADE OF THE LOT AND AREA OF EXTENDED LOT OWNER RESPONSIBILITY, AND ANY ADJUSTMENT TO THAT GRADE THEREAFTER, DOES NOT CAUSE THE DEPTH OF ANY UTILITIES INSTALLED UPON THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY TO BE REDUCED TO LESS THAN THE STANDARD SET FORTH BY THE UTILITY PROVIDER OR ANY APPLICABLE CODE, STATUTE OR LAW, WHICHEVER MAY BE DEEPER.

Section 2. MINOR DRAINAGE. MINOR DRAINAGE, DEFINED AS DRAINAGE PIPE OR SYSTEM DRAINING MORE THAN ONE LOT AND THAT IS NOT ACCEPTED FOR MAINTENANCE BY ANY COUNTY OR MUNICIPALITY OR OTHER LIKE ENTITY, MAY BE ACCEPTED FOR MAINTENANCE BY THE ASSOCIATION, PROVIDED, HOWEVER, THAT IN THE EVENT THAT AN OWNER NEGLECTS OR FAILS TO KEEP THE MINOR DRAINAGE LOCATED ON THEIR LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY FREE AND CLEAR OF OBSTRUCTIONS OR BLOCKAGE OR IF AN OWNER SHALL DAMAGE OR DESTROY ANY PORTION OF THE MINOR DRAINAGE SYSTEM ON THEIR LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY, THE DEVELOPER OR THE ASSOCIATION, WHEN EMPOWERED, MAY IN ADDITION TO ANY OTHER REMEDY, ENTER THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY AND CLEAR ANY OBSTRUCTION OF AND REPAIR ANY DAMAGE TO THE MINOR DRAINAGE SYSTEM STRUCTURES ON THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY. THE DETERMINATION AS TO WHETHER THE ASSOCIATION ASSUMES MAINTENANCE RESPONSIBILITY FOR ANY PORTION OF THE MINOR DRAINAGE SYSTEM LOCATED ON A LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY SHALL BE THAT OF THE DEVELOPER AS LONG AS IT OWNS ANY PORTION OF THE PROPERTY. THEREAFTER, THE DETERMINATION AS TO WHETHER THE ASSOCIATION ASSUMES MAINTENANCE RESPONSIBILITY FOR ANY PORTION OF THE MINOR DRAINAGE SYSTEM LOCATED ON A LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY AND AT ALL TIMES AS TO WHETHER AN OWNER HAS NEGLECTED OR FAILED TO KEEP ANY PORTION OF THE MINOR DRAINAGE SYSTEM LOCATED ON THEIR LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY FREE AND CLEAR OF OBSTRUCTIONS OR BLOCKAGE OR HAS DAMAGED OR DESTROYED THE MINOR DRAINAGE STRUCTURES ON THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY SHALL BE MADE BY THE DEVELOPER OR THE BOARD OF DIRECTORS OF THE ASSOCIATION, WHEN EMPOWERED, OR BY AN ENTITY AUTHORIZED TO DO SO BY THE DEVELOPER OR THE BOARD OF DIRECTORS OF THE ASSOCIATION, WHEN EMPOWERED, IN ITS SOLE DISCRETION. IN THE EVENT THAT THE ASSOCIATION DETERMINES THAT THE NEED FOR MAINTENANCE, REPAIR OR REPLACEMENT OF THE MINOR DRAINAGE, WHETHER SUCH MINOR DRAINAGE SYSTEM OR A PORTION THEREOF IS ACCEPTED

FOR MAINTENANCE BY THE ASSOCIATION OR NOT, IS CAUSED THROUGH THE WILLFUL OR NEGLIGENT ACT OF AN OWNER, OR THE FAMILY, GUESTS, EMPLOYEES, LESSEES, OR INVITEE(S) OF ANY OWNER, THEN THE ASSOCIATION MAY PERFORM SUCH MAINTENANCE, REPAIR OR REPLACEMENT AT SUCH OWNER'S SOLE COST AND EXPENSE, AND ALL COSTS THEREOF, TOGETHER WITH ANY ASSESSMENTS FOR NON-COMPLIANCE LEVIED BY THE ASSOCIATION FOR NON-COMPLIANCE AND ALL COSTS OF THE COLLECTION SHALL BE ADDED TO AND BECOME A PART OF THE ASSESSMENT TO WHICH SUCH OWNER IS SUBJECT AND SHALL BECOME A LIEN AGAINST THE LOT OF SUCH OWNER. EACH OWNER IS RESPONSIBLE FOR THE ACTIONS OF AND THE COMPLIANCE WITH THESE DOCUMENTS AND THE REGULATIONS BY THE FAMILY, GUESTS, LESSEES, EMPLOYEES OR INVITEE(S) OF THAT OWNER AND SHALL FURTHER BE RESPONSIBLE FOR THE PAYMENT OF ANY ASSESSMENTS LEVIED FOR THAT NON-COMPLIANCE AND ALL COSTS ASSOCIATED THERETO.

ARTICLE X
REMEDIES

Section 1. REMEDIES FOR NONPAYMENT OF ASSESSMENTS. Any Assessments not paid by the due date shall bear interest from the due date at the rate of sixteen percent (16%) per annum or, if sixteen percent (16%) is higher than allowed by law, then the highest rate allowed by law. Said interest shall be charged at the discretion of the Developer or the Association's Board of Directors, When Empowered. In addition, the Developer or the Board of Directors of the Association, When Empowered, shall have the right to charge an Association collection fee or late charge on any Assessment or installment thereof which shall not have been paid by its due date. In the event that the Developer or the Board of Directors of the Association, When Empowered, chooses an installment schedule for the method of payment for an Assessment or as a method of allowing an Owner to pay past due Assessments, and in the event that any installment is delinquent, the Developer or the Board of Directors of the Association, When Empowered, shall have the right to accelerate and immediately make due all or part of the Assessment due from that Owner of that Lot for that budgeted period. The Developer or the Board of Directors of the Association, When Empowered, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the Lot(s) in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages on Time Shares or for the foreclosure of mortgages by judicial proceedings, and may seek a deficiency judgment, and interest, court costs, all costs of collection, including reasonable attorney's fees. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the Assessments provided for herein. No disagreement on the part of any Owner with respect to the budget; the amount or installment schedule for any Assessment; any change to the amount or installment schedule for the Assessment; the Regulations established or amended by the Developer or the Board of Directors of the Association, When Empowered; the

actions or lack of action on the part of the Developer or the Association; the purpose for any Assessment for Capital Repair or Improvements; or the amount or purpose of any Assessment for Budgetary Shortfall shall be reason for any Owner to fail to pay any Assessment at the time that it is due. Also, the Developer or Board of Directors of the Association, When Empowered, may at any time notify the holders of mortgages of the Lot of the failure of the Owner to pay Assessments or any other violation of the Declaration.

Section 2. REMEDIES FOR NONPAYMENT OF AD VALOREM TAXES OR LEVIES FOR PUBLIC IMPROVEMENTS BY THE ASSOCIATION. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or Assessments levied for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or Assessments in an amount determined by dividing the total taxes and/or Assessments due the governmental authority by the total number of Lots in the Community. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien, subordinate to all mortgages on the Lot of the then Owner, his or their heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 3. REMEDIES FOR FAILURE TO MAINTAIN EXTERIOR OF DWELLING AND LOT. In the event that the Owner neglects or fails to maintain his Lot, Area of Extended Lot Owner Responsibility, and/or the exterior of his or her Dwelling in the Community, the Developer or the Association, When Empowered, may in addition to any other remedy, provide such exterior maintenance. The Developer or the Association, When Empowered, shall first give written notice to the Owner of the specific items of the exterior maintenance or repair that the Association intends to perform and the Owner shall have the time set forth in said notice within which to perform such exterior maintenance himself or to satisfy the Association that the required maintenance or repair will be completed in a timely manner. The determination as to whether an Owner has neglected or failed to maintain his Lot, Area of Extended Lot Owner Responsibility, and/or Dwelling in a manner consistent with other Lots, Areas of Extended Lot Owner Responsibility and Dwellings in the Community shall be made by the Developer or the Board of Directors of the Association, When Empowered, in its sole discretion, or an entity authorized to do so by the Developer or the Board of Directors of the Association, When Empowered.

In the event the Association performs such exterior maintenance, repair or replacements repair, the costs of such maintenance, repairs or replacement together with all costs of collecting from the Owner the cost of such maintenance, repairs or replacement established herein shall be added to and become a part of the Assessment to which that Lot is subject.

In the event that the Association determines that the need for maintenance, repair or replacement, which is the responsibility of the Association hereunder, is caused through the willful or

negligent act of an Owner, or the family, guests, employees, lessees, or invitee(s) of any Owner, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof, together with any Assessments for Non-Compliance levied by the Association for non-compliance and all costs of the collection shall be added to and become a part of the Assessment to which such Owner is subject and shall become a lien against the Lot of such Owner. Each Owner is responsible for the actions of and the compliance with these documents and the Regulations by the family, guests, lessees, employees or invitee(s) of that Owner and shall further be responsible for the payment of any Assessments levied for that non-compliance.

Section 4. ADDITIONAL REMEDIES.

(a) Enforcement of the Declaration, By-Laws of the Association, and the Regulations in addition to any other remedy set out herein, may be carried out by the Developer, the Association, When Empowered, or the Owner through any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction in the Declaration, By-Laws, or Regulations established by the Developer or the Association, When Empowered, either to prevent or restrain violations, to recover damages or to compel a compliance to the terms thereof. Any failure by the Developer, the Association, When Empowered, or any Owner to enforce any covenant or restriction herein contained or contained in the Declaration or By-Laws or to enforce any of the Regulations shall in no event be deemed a waiver of a right to do so thereafter. In addition to the foregoing, the Developer or the Board of Directors of the Association, When Empowered, shall have the right wherever there shall have been built on any Lot or Area of Extended Lot Owner Responsibility any Structure which is in violation of the Declaration, Architectural Guidelines or Regulations to enter upon the Lot or Area of Extended Lot Owner Responsibility where such violation exists and summarily abate or remove the same at the expense of the Owner, including without limitation the right to cease current construction and enjoin further construction, if after written notice of such violation, it shall not have been corrected by the Owner within the time required by the notice of violation. Any such entry and abatement or removal shall not be deemed a trespass.

(b) The Developer or the Association, When Empowered, may, in addition to any other remedy, suspend the Common Area enjoyment rights of any Owner, their family members, lessees, invitees, licensees, employees or guests, or any of their pets or animals, for an appropriate period of time to be determined on a case by case basis by the Developer or the Board of Directors, When Empowered, for any non-compliance with the provisions of this Declaration, the By-Laws or of the Regulations. The right, however, of a Member to ingress and egress over the roads and/or parking areas shall not be suspended if they provide necessary access to their Lot.

(c) The Owner grants to the Developer and the Association the right and permission to enter the Lot to remove or correct any violation of the Declaration, By-Laws or Regulations, including but not limited to, the maintenance of Lots, Areas of Extended Lot Owner Responsibility or any Structure (as defined in Article I, Section1) thereon, and the removal of abandoned automobiles from any

without payment of its delinquent assessments, the Association may apply that delinquent amount to its all-encompassing lien over that Owner's remaining Lots in the Community.

(h) All costs incurred by the Developer (in its capacity as a Class "B" Member) or the Association, When Empowered, as a result of any violation(s) of any provision of this Declaration, the Architectural Guidelines, or the Regulations, including without limitation all costs of collection and attorney's fees, shall be a lien upon the affected property and a personal obligation of the applicable Owner.

Section 5. DEVELOPER'S CLASS "C" MEMBERSHIP ENFORCMENT REMEDIES.

(a) In addition to the remedies outlined above in this Article and in addition to any other remedies or rights reserved to the Developer under a previously recorded document affecting the Property or a portion thereof, the Developer's right to enforce the provisions of this Declaration, the By-Laws, the Architectural Guidelines, and the Regulations shall extend for as long as the Developer owes any duties or obligations to a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property, even if the Developer has already turned over control of the Association to a Member-elected Board of Directors and even if one hundred (100%) percent of the Dwellings permitted by the Master Plan already have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale (i.e., Class "B" Membership has converted to Class "C" Membership), PROVIDED that the Developer may exercise the extended enforcement rights described in this Section only for the specific purpose of (1) responding to a request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property or (2) in the sole discretion of the Developer, preventing an anticipated request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property.

(b) The Developer may exercise its extended enforcement powers described in this Section: (1) through the Association, whereby the Association exercises its enforcement powers under this Declaration in order to adequately respond to, or attempt to prevent, the request or demand of a governmental body, district, agency, or authority; or (2) independently of the Association, whereby the Developer exercises any and all enforcement powers reserved to it under the Declaration in order to adequately respond to, or attempt to prevent, the request or demand of a governmental body, district, agency, or authority, including without limitation the right to enter any portion of the Property to remedy a violation, the right to impose Assessments for Non-Compliance and the right to file a lien upon the Lot of the Owner against whom enforcement is being sought for the amount of such Assessments, and the right to bring any and all other legal actions to force compliance by an Owner. In the event the Developer exercises said extended enforcement powers, all costs incurred by the Developer, including reasonable attorneys fees, shall be the responsibility of the Lot Owner(s) against whom enforcement was sought and shall be added to the lien filed by the Developer against said Lot Owner, if applicable. The provisions of this Section provide the Developer with the option of exercising extended enforcement powers under the Declaration as a Class "C" Member, however they do not impose any duty or obligation upon the Developer to do so.

ARTICLE XI
ADDITIONAL MATTERS DEALING WITH PHASED COMMUNITY & MASTER ASSOCIATION

Section 1. ANNEXATION OF ADDITIONAL PROPERTY OR REMOVAL OF PROPERTY. So long as the Developer owns any portion of the Property, the Developer shall have the right to annex additional property into the Property by the filing of an amendment or addendum to this Declaration describing the property annexed and imposing this Declaration upon such property. All property annexed in this manner shall be a part of the Property and Community as fully as if it had been a part thereof from the filing of this Declaration. As property is added to the Community, if any, the Lots comprising such additional property shall be counted for the purpose of voting rights. So long as the Developer owns any portion of the Property, the Developer shall have the right to remove portions of the Property from the operation of the Declaration by filing an amendment or addendum to this Declaration describing the portion of the Property removed and releasing said portion from this Declaration.

Section 2. CREATION OF A MASTER ASSOCIATION. The Developer or the Board of Directors, When Empowered, may create an incorporated or unincorporated Master Association for the purpose of owning property and/or for the purpose of maintaining and operating some or all of the Common Area or Area of Common Responsibility within the Community and upon its creation may delegate or assign part or all of the responsibilities and authority of this Association, either permanently or temporarily, to that Master Association or make this Association a Sub-Association of that Master Association or create additional Neighborhoods or Specific Purpose Areas within the Community, all without notice to or the consent of any Owner. In the event a Master Association is created by the Developer or the Board of Directors, When Empowered, the Association shall participate in the Master Association in such capacity as set forth in the Master Association's governing documents, and the Master Association shall be able to fully enforce the covenants and restrictions contained in its Declaration and contained in this Declaration against any and all Owners in the Community and against the Association, if provided for in the governing documents of the Master Association. The establishment of Neighborhoods, Neighborhood Architectural Control Authorities, Specific Purpose Areas, or Specific Purpose Committees, if and when designated, shall not be construed as creating a Master Association or Sub-Associations, unless expressly created and recognized as such by the Developer or the Association, When Empowered.

ARTICLE XII
GENERAL PROVISIONS

Section 1. DURATION. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the sole benefit of and be enforceable by the Developer, so long as the Developer owns any portion of the Property, and thereafter to the Association. All covenants,

Regulations, when established. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges, and liens for this Agreement may be amended, changed, added to, derogated or deleted at any time and from time to time upon the execution and recordation of any instrument executed by Owners holding not less than a majority of votes of the Owners of the Membership of the Association, provided that so long as the Developer is the Owner of any Lot affected by this Declaration, the Developer's consent must be obtained. Provided, further, that the provisions for voting of Class A and Class B Members as herein contained in this Declaration shall also be effective in voting changes in this Declaration. Without limiting the foregoing, the Association, and so long as the Developer owns at least one (1) Lot in the Community, the Developer or the Board of Directors, When Empowered, shall, at any time and from time to time as the Developer or Board of Directors, When Empowered, see fit, have the right to cause this document to be amended to correct any clerical or scrivener's error(s) or to conform to the requirements of the Federal Housing Administration ("FHA") or the Veterans Administration, ("VA") or the Federal National Mortgage Corporation ("FNMC") or any other insurer or purchaser of mortgage secured by the Lots as the same may be amended from time to time. Notwithstanding the above-stated Amendment rights, under no circumstances shall the Association, When Empowered, or its Board of Directors, When Empowered, amend this Declaration or the By-Laws of the Association so as to delete, lessen, or otherwise negatively affect the rights granted to and reserved to the Developer in this Declaration and the By-Laws of the Association; further, if any amendments are passed and recorded in violation of this Section, such amendments shall be null and void.

Section 6. AMENDMENT BY DEVELOPER. In addition to any other right to amend as set out herein, as long as the Developer owns any portion of the Property, the Developer may amend and/or restate this Declaration without the consent of the Owners, their mortgagees, or the Association. Subject to the Declaration, every purchaser or grantee of any Lot or Common Area now and hereafter, by acceptance of a deed or other conveyance thereof, agrees that the Declaration may be amended as provided herein and such amendment shall be applicable to and binding upon the Owners and the Lots. At the option and sole discretion of the Developer, for so long as the Developer owns any portion of the Property, any and all amendments to this Declaration made under the authority of this Section may apply: (i) upon the day of execution or recording; (ii) retroactively to the date of this Declaration or to some other specified date in the amendment; or (iii) prospectively to some specified date in the amendment.

Section 7. EFFECTIVE DATE. This Declaration shall become effective upon its recordation in the office of The Register of Deeds for the county in which the Property is located.

Section 8. PAID PROFESSIONAL MANAGER. The Developer or the Board of Directors, When Empowered, may employ a manager or managerial firm to supervise all work, labor, services, and material required in the operation and maintenance of the Common Area and in the discharge of the Association's duties throughout the Community.

Section 9. BINDING EFFECT. This Declaration shall inure to the sole benefit of the Developer for so long as the Developer owns any portion of the Property, and thereafter to the

Association. This Declaration shall be binding upon the parties hereto, including without limitation all Owners, and the purchasers of Lots, their heirs, personal representatives, successors and assigns. At the option and sole discretion of the Developer, for so long as the Developer owns any portion of the Property, any and all amendments to this Declaration made under the authority of Section 6 of this Article may apply: (i) upon the day of execution or recording; (ii) retroactively to the date of this Declaration or to some other specified date in the amendment; or (iii) prospectively to some specified date in the amendment.

Section 10. WAIVER. The failure to enforce any rights, reservations, restrictions, or conditions contained in this Declaration, however long continued, shall not be construed to constitute a precedent or be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Section 11. ATTORNEY'S FEES AND COST. Should the Developer or the Association employ counsel to enforce the Declaration, or the reasonable rules, regulations and policies established or amended by the Developer or the Board of Directors from time to time because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for the Developer's or the Association's counsel and other reasonable costs of collection, shall be paid by the Owner of such Lot or Lots in breach thereof.

Section 12. DEVELOPER LIABILITY AND HOLD HARMLESS. The Developer herein shall not in any way or manner be liable or responsible for any violation of the Declaration by any person other than itself. The Owners and the Association shall hold harmless the Developer from any liability, loss or cost arising out of their or their agents, guests or invitees violation of the Declaration.

Section 13. SAFETY AND SECURITY. **Each Owner and their respective visitors, invitees, and guests, shall be responsible for their own personal safety and the security of their property in the Community. The Developer and the Association, When Empowered, shall have no duty to enhance the level of safety or security which each person provides for himself or herself and his or her property, nor shall the Developer or the Association, When Empowered, have any duty to respond to a safety or security problem if provided notice of such, although nothing herein shall prevent the Developer or the Association, When Empowered, from voluntarily (1) passing on such notification to the proper law enforcement or governmental authorities, (2) responding in some other manner to protect safety or security, or (3) taking action to enhance the level of safety or security in the Community. Neither the Developer nor the Association, When Empowered, shall in any way be considered insurers or guarantors of safety or security with the Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or failure to respond adequately to a security problem or the dangerous or hazardous condition of the Property. Each Owner acknowledges, understands, and shall be responsible for informing its occupants, visitors, invitees, and guests that the Developer, the Association, When Empowered, and its Board of Directors and Committees are not insurers or guarantors of security or safety and that each person with the Community assumes all risks of personal injury and loss or damage to**

property, including Dwellings and the contents therein, resulting from acts of third parties or from any dangerous or hazardous condition. Each Owner also acknowledges, understands, and shall inform its occupants, visitors, invitees, and guests that they are responsible for contacting the appropriate public authorities directly when safety or security problems arise.

Section 14. TIME REDUCTION. In the event that any of the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which same shall be effective, then and in that event such terms 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 provisions shall be fully effective for such period of time.

Section 15. BINDING ARBITRATION. The Owner and the Association by acceptance of a deed agree that any dispute arising out of use, occupancy, ownership of a Lot or on the Common Area or the enforcement of any covenant, condition, rule or restriction or regulation and any complaint to the Developer shall be settled by binding arbitration pursuant to the South Carolina Arbitration Act.

Section 16. ASSIGNABILITY OF RIGHTS AND POWERS. By the filing of a document in the County Register of Deeds Office or by providing notice, the Developer or the Association, When Empowered, may assign, either permanently or temporarily or in part or in whole, any or all of the rights and powers granted or arising from the Declaration to one or more entities or persons without the consent of any Owner. The Developer or the Association, When Empowered, may delegate any of the above-stated powers and rights to the same extent as it may assign them without any recording or notice requirements.

Section 17. EMINENT DOMAIN. The term "Taking" as used in this section means condemnation pursuant to the South Carolina Eminent Domain Procedures Act or sale under threat of condemnation. In the event of a threatened Taking of all or any portion of the Common Area, the Owners appoint the Developer, or the Board of Directors, When Empowered, to act as attorney-in-fact for all Owners in the proceedings incident to the Taking unless otherwise prohibited by law. No Owner, by virtue of his Lot ownership or membership in the Association, shall be entitled to independently participate as a party in any condemnation proceedings or directly participate in any condemnation award. The Developer, or the Board of Directors, When Empowered, shall have the right to make a voluntary sale to the condemnor in lieu of engaging in the condemnation action. Any awards received as a result of the Taking shall be paid to the Association. The Developer, or the Board of Directors, When Empowered, without the necessity of a vote of the membership of the Association, may (1) retain any award in the general funds of the Association, (2) use such award for the restoration or replacement of any Common Area improvements affected by the Taking, or (3) distribute the proceeds in any such manner as the Developer or the Board of Directors of the Association, When Empowered, deems appropriate. Notwithstanding the foregoing, this section shall in no way limit or impair the Developer's right, in its sole discretion, to remove the property which is subject of the Taking from the Community pursuant to the authority granted in Article XI, Section One (1) herein and to retain any proceeds deposited with the court as a result of the Taking.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed by its proper officers and its corporate seal to be affixed thereto on the day and year first above written.

SIGNED SEALED AND DELIVERED
in the presence of:

DEVELOPER:

Firstar Homes, Inc.

_____ *SEAL*
By: _____
Its: PRESIDENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF Richland)

ACKNOWLEDGMENT

I, Shiela M. Cadden, Notary Public for the State of South Carolina, do hereby certify that the above-signed authorized signatory for Firstar Homes, Inc. personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Sworn and subscribed before me this
27th day of September, 2007.

Shiela M. Cadden *SEAL*
Notary Public for South Carolina
My Commission Expires: 10/4/2016

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "A"

LEGAL DESCRIPTION

All that certain piece, parcel, lot or tract of land lying and being situate in the City of North Charleston, Dorchester County, South Carolina containing 10.73 Acres and being more particularly shown on that certain plat dated January 26, 2007 entitled "Final Subdivision Plat of Vistianna Place, a Portion of Tract C, Total Area of Tract C Containing 10.73 Acres" and recorded in Plat Book L, at Page 56 of the Dorchester County Register of Deeds.

TOWNHOME SUPPLEMENT
TO
DECLARATION OF COVENANTS, RESTRICTIONS,
EASEMENTS, CHARGES, AND LIENS FOR

VISTIANNA PLACE

THIS TOWNHOME AND GARDEN FENCE SUPPLEMENT ("Supplemental Declaration" or "Supplement") dated the 27th day of September, 2007 supplements and amends the Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Vistianna Place dated June 27, 2007 and recorded _____, 2007 in the Office of the R.O.D. for Dorchester ~~Charleston~~ County in Book _____ at Page _____ ("Declaration") is made by Firstar Homes, LLC ("Developer").

RECITALS

1. If any term or condition of this Supplement shall conflict with any term or condition of the Declaration, the terms and conditions of this Supplement shall control. Otherwise, the terms and conditions of the Declaration shall remain in full force and effect.

2. The real property described in Exhibit A is being developed for Townhomes (as hereafter defined). As a part of the development plan, Townhomes on each Townhome Lot shall share at least one (1) common wall with a Townhome located on an adjoining Townhome Lot;

3. The Declaration provides in Article XII, Section 6 that the Declaration may be amended by the Developer at any time while the Developer owns any portion of the Property.

4. The Developer desires to amend the Declaration according to the terms of this Supplement.

NOW, THEREFORE, the Developer declares that the Declaration is amended to add Article XIII as hereinafter set forth:

ARTICLE I
DEFINITIONS

Section 1. DEFINITIONS. If a term is defined in both the Declaration and this Supplement, the meaning found in this Supplement shall prevail.

(a) "AFFECTED PARCEL" shall mean and refer to any Townhome Lot, Townhome Lots and/or Common Area that is subject to a Restricted Use Area.

(b) "BENEFITING PARCEL" shall mean and refer to a Townhome Lot which enjoys a right of use over, across, and upon the Restricted Use Area located on the Affected Parcel.

(c) "GARDEN FENCE" shall mean and refer to: (a) any common fence, wall (including a portion of the wall of a Dwelling or porch or patio constructed on an Affected Parcel) or other Structure, isolating a Restricted Use Area (hereinafter defined) built by the Developer, a builder or contractor approved by the Developer or by an Owner after approval of the Developer or by the Architectural Control Authority, When Empowered; and (b) any Structure designated as a Garden Fence on a recorded plat or on a plan approved by the Developer.

(d) "PARTY WALL" shall mean and refer to any common wall separating two (2) Townhomes. The Party Wall design is shown on that Common Wall Construction Detail attached hereto as Exhibit C and incorporated herein, and includes any roof diverters connected to the Party Wall.

(e) "RESTRICTED USE AREA" shall mean and refer to any area on any Affected Parcel which is: (a) designated as a Restricted Use Area on a recorded plat or on a plan approved by the Developer or the Architectural Control Authority, When Empowered or (b) which is isolated by a Garden Fence or Garden Fences.

(f) "TOWNHOME" shall mean a single family Dwelling which is connected to one or more adjoining Dwellings by a Party Wall.

(g) "TOWNHOME BUILDING" shall mean a building in which two or more Townhomes are located.

(h) "TOWNHOME LOT" shall mean and refer to a Lot within the Community upon which a Townhome has been or will be constructed.

ARTICLE II
TOWNHOMES

Section 1. MAINTENANCE, REPLACEMENT AND REPAIR OF PARTY WALLS AND EXTERIOR WALLS AND ROOF

(a) To the extent not inconsistent with the provisions of this Supplement, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to the Townhome Owners.

(b) Notwithstanding the foregoing, the Association shall maintain, repair and replace the exterior walls of a Townhome and any Party Wall which the Developer or the Board of Directors of the Association, When Empowered, deems necessary and the costs for such repairs, replacement and maintenance, along with administrative and collection costs, may be assessed in amounts determined by the Developer or Board of the Association, When Empowered, to be allocated against the Owners of the Townhome Lot or Townhome Lots benefited by such repairs, replacement and maintenance, or all Townhome Lot Owners in the Community as the Board deems appropriate; provided, however, if the repairs, replacement and maintenance are necessitated by the willful acts, omissions, or negligence of one or more Owner(s), the Association may assess the Owner(s) causing the damage the costs of repairs, replacement or maintenance.

(c) If the Owner of a Townhome refuses to pay his proportionate share of the cost of replacement, repair or maintenance, then the Association may bring an action to collect the cost from such Owner; and may levy an Assessment for Non-Compliance against that Townhome Owner's Lot in an amount to be determined by the Board of the Association, on a case by case basis; or assess the cost attributable to the replacement, repair or maintenance, any administration fees charged by the Association, any cost of collection and any attorney fees against the non-paying Owner's Townhome Lot in accordance with Article VI of the Declaration.

(d) Each owner shall insure his or her Townhome, including, but not limited to, the exterior walls, roof, porches, and entrance ways, for full replacement value and for all hazards. The Owners shall name the Association as an additional insured and deliver a certificate of insurance so stating to the Association each year when the Owner renews the policy. The policy will be written by companies which meet the Regulations which the Association adopts from time to time. The Owners hereby appoint the Association as its attorney-in-fact and exclusive agent to file all claims in the event of a loss, to collect all proceeds, and use same to repair or replace the Townhome and Townhome Building in which the Townhome is located. The Association may hire a manager to collect the claims and supervise the repair or replacement and the cost of any manager shall be a part of the cost of repair and replacement. In the event the Townhome Owner's insurance is not sufficient to pay the cost of repair or replacement, including deductible, the costs shall be borne by the Townhome Owner or Townhome Owners.

(e) Each Owner of a Townhome shall be responsible to maintain, repair, replace and keep in good condition all portions of the Townhome and Townhome Lot which are not maintained, repaired or replaced by the Association, including, but not limited to, all interior walls, sheetrock, exterior siding, roofs, attics, ceilings, floors, driveways, landscaping, grass, and the entire irrigation system which serves any portion of the Townhome and Townhome Lot and to pay the cost of the maintenance, repair or replacement. All such maintenance, repair and replacement shall be approved by the Architectural Control Authority in accordance with review processes set out in the Declaration.

(f) The Developer or the Association, When Empowered, may at any time engage or disengage the irrigation system of a Lot Owner in order to provide proper irrigation of that Owner's Lot or proper maintenance of the landscaping on that Lot. The Developer or the Association, When Empowered, shall have the sole authority to determine what level of irrigation is proper and to define proper operation of the irrigation system. Upon receipt of notice from the Association that the irrigation system is not properly operating, or that specific maintenance or repairs to the system are necessary, or that an adjustment to the amount of or schedule for irrigation that is being provided to any portions of the landscaped areas of a Lot is necessary, a Lot Owner shall cause that repair or maintenance of the irrigation system to be performed in the time frame set out in the Association's notice or shall immediately increase or decrease the amount of irrigation or change the schedule for irrigation being provided to the landscaped areas of the Lot noted in that notice. The Association shall have no responsibility for the maintenance of the irrigation system on an Owner's Lot or for the cost of the utilities required to operate the irrigation system.

Section 2. TOWNHOMES LOT SUBDIVISION AND MINIMUM SQUARE FOOTAGE REQUIREMENTS.

(a) Townhomes shall not be subdivided or combined without the prior written approval of the Developer or the Architectural Control Authority, When Empowered.

(b) The minimum square footage and setback requirements for Lots described in the Declaration, if any, shall not apply to the Townhome Lots or the real property described within this Supplement, but shall comply with any minimum square footage requirements established for Townhome Lots by the Developer or the Architectural Control Authority, When Empowered.

ARTICLE III
EASEMENTS

Section 1. EASEMENT OF ENCROACHMENT. All Townhome Lots and the Common Area shall be subject to an easement over, upon, across and under each Townhome Lot and the Common Area for the unintentional placement or settling or shifting of the Party Wall, Townhomes, or other Structures as initially constructed, reconstructed, or as altered in accordance with the required approved of the Developer or the Architectural Control Authority, When Empowered, on any Townhome Lot. These encroaching Structures shall include, without limitation, overhanging eaves, Party Walls, gutters, downspouts, driveway, exterior storage rooms, walls, fences, streets, and sidewalks. If any encroachment shall occur as a result of settling or shifting of any improvements; as a result of any repair, construction, reconstruction, or alteration approved by the Developer or the Architectural Control Authority, When Empowered; or as a result of condemnation or eminent domain proceedings. An easement is declared to exist for such encroachment onto the adjacent Common Area and/or Townhome Lot. In no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner other than the Developer. Such easement shall be appurtenant to such Townhome Lot for which the improvements were constructed, and shall run with the land.

Section 2. PLACEMENT OF PARTY WALL ON TOWNHOME LOTS. All Party Walls shall be built on Townhome Lot lines, unless constructed or reconstructed pursuant to the approval provided for in Section 4 above.

Section 3. EASEMENT FOR ADDITIONAL SERVICE. An easement and right of ingress and egress over, upon, across and in any Townhome or Townhome Lot is reserved to the Developer and the Association, When Empowered, to provide Additional Services (hereinafter defined).

Section 4. EASEMENT OF MAINTENANCE, REPAIR AND REPLACEMENT OF TOWNHOMES, TOWNHOME LOTS AND PARTY WALLS. An easement and right of ingress and egress, over, upon, across and in the Townhomes and Townhomes Lot is reserved unto the Developer and the Association, When Empowered, for the maintenance, repair and replacement of the Party Walls, the Townhomes, Townhome Lots, and to replace, cut, trim or otherwise maintain all or a portion of the landscaping, shrubbery and grass (including the maintenance of any irrigation systems) on the Townhome Lot, to the extent the Association has elected to provide such services.

Other than in the case of an emergency, access to these areas shall be during reasonable hours and when possible, with the permission of the Owner of the Townhome, which shall not be unreasonably withheld. The Board of the Association shall at all times have the authority to determine what constitutes an emergency, what times are deemed to be reasonable and under what circumstances access should be provided by a Townhome Owner.

The Association shall have the authority in its sole discretion to:

(a) select the contractor or contractors who will perform the maintenance, repair and replacement of the Party Wall and Townhome when damaged or destroyed;

(b) determine the level of such maintenance, repair or replacement, and;

(c) to determine the cost of such maintenance, repair and replacement

Section 5. STRUCTURAL SUPPORT EASEMENT. Every portion of a Townhome which contributes to the structural support of another Townhome shall be burdened with an easement for structural support. Said easement shall permit the Developer and the Association access to adjoining Townhomes for the purpose of inspecting the structural integrity of the Townhome or for the purpose of structural repair to the Townhomes, which may affect one or more Townhomes. Nothing herein shall require the Developer or the Association, When Empowered, to pay the cost to maintain the structural support of the Townhomes. Each Owner is solely responsible for all costs associated with any and all maintenance and repair work in accordance with this easement for structural support work done to their Townhome, regardless of who requested or authorized such work. The responsible Owner (defined as the Owner of the Townhome deemed responsible by the Developer or the board of the Association, When Empowered) will be obligated to pay the costs of such services, and said costs, along with administrative cost, collection fees, attorney fees and such other related cost as the Developer or the Board of the Association may deem appropriate, shall be a lien on the responsible Owner's Townhome Lot (as well as a personal lien against the Owner) and shall be enforceable by the Developer or the Association, When Empowered, pursuant to the terms of the Declaration.

Section 6. UNDERGROUND ENCROACHMENT EASEMENTS. The Developer has granted utility easements, including without limitation various cable, telephone, and power easements, that may run underneath the Townhomes in order to provide specified utility service to some or all of the Townhomes and for the irrigation system and pipes which encroach from one Townhome Lot to another Townhome Lot (the "Underground Encroachment Easements"). The Developer and/or the Association reserves an easement and access rights over, under and across all Townhome Lots on behalf of itself, its permittees, its successors and assigns, for the purpose of access to the utility lines running through the Underground Encroachment Easements. Said reservation of easement and access rights shall not be considered an obligation of the Developer and/or the Association to provide or maintain any such utility service running through the Underground Encroachment Easements. The Developer and/or the Association, including their agents, employees, and officers, shall not bear any responsibility for the repair or replacement of any portion of a Townhome that is damaged due to maintenance work required on the utility lines running through the Underground Encroachment Easements. If maintenance work is required on the utility

lines running through the Underground Encroachment Easements, the Developer and/or the Association, and all affected Owners shall make every reasonable effort to cooperate with the specified utility company to work out a solution that eliminates or minimizes damage to the affected Townhomes. In the event a Townhome is damaged due to maintenance work required on the utility lines running through the Underground Encroachment Easements, and said maintenance work benefits the damaged Townhome, unless any or all responsibility is voluntarily accepted by such utility provider, the Owner of the damaged Townhome shall be fully responsible for repairing and replacing their Townhome back to its original condition subject to the review authority of the Developer or Architectural Control Authority, When Empowered. In the event a Townhome is damaged due to maintenance work required on the utility lines running through the Underground Encroachment Easements, and said maintenance work does not benefit the damaged Townhome but benefits the adjoining Townhome, unless any or all responsibility is voluntarily accepted by such utility provider, the Owner of the adjoining benefiting Townhome shall be fully responsible for repairing and replacing the damaged Townhome back to its original condition subject to the review authority of Developer or the Architectural Control Authority, When Empowered including without limitation all costs, if any, associated with relocating the Owner of the damaged Townhome while said repair and replacement work is completed if the repair and replacement work makes the damaged Townhome uninhabitable. If the responsible Owner fails to repair and replace the damaged Townhome in accordance with the terms and conditions of this Section, the Developer and/or the Association, When Empowered, shall have the authority, but not the obligation, to enter the affected Townhomes, complete the repair and replacement work itself, and all costs associated with said repair of the Townhomes or Townhome Lot, including administrative costs, collection cost, attorney fees and such other cost as the Board of the Association may determine appropriate, shall be a lien on the responsible Owner's Townhome Lot (as well as a personal lien against the Owner) and shall be enforceable by the Developer and the Association in accordance with Article X of the Declaration.

Section 7. EASEMENT FOR DRIVEWAYS OVER TOWNHOME LOTS AND COMMON AREA. The Developer reserves a perpetual and alienable easement and right of ingress and egress, over, upon, across and under any adjoining Townhome Lot or Common Area, if any, unto itself and unto any adjoining Townhome Lot Owner for which a driveway is constructed or approved by the Developer or its assign as may be necessary or convenient for the construction, maintenance, and use of driveways for Townhomes in the Community provided such easement shall not encroach on or cross under existing buildings on the Townhome Lot or Common Area. This easement and right expressly includes the right to cut any trees, bushes, or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe access and to maintain reasonable standards of health, safety, and appearance. Such right may be exercised by the licensee of the Developer, but this reservation shall not be considered an obligation of the Developer to provide or maintain any such driveway. Without the approval of the Developer, no Structures, including, but not limited to, walls, fences, paving, or planting shall be erected upon any part of the Property which will interfere with the rights of ingress and egress provided for in this paragraph and then such placement shall be subject to the rights provided to the Developer and the adjacent Townhome Lot Owner set out herein. No Owner shall take any action to prevent the Association, the Developer, or any of their agents, contractors or employees from utilizing the easements reserved herein.

Section 8. REQUIREMENTS. With the exception of irrigation and irrigation maintenance, when a common irrigation system may exist, nothing herein shall require the Developer or the Association to provide the services, maintenance, repair and replacement set forth in Article V, but the easement shall be for the purpose of providing these elective services if the Developer or the Board of Directors, When Empowered, elect to provide such services, maintenance, repair and replacement. If the Developer or the Board of Directors, When Empowered, elects to provide these services, maintenance, repair and replacement, then the Townhome Lot Owner will be obligated to pay Assessments to cover the cost of such services, along with such related cost as set out herein.

ARTICLE IV
PARKING RIGHTS

Parking spaces in addition to those spaces located on the Townhome Lots may be provided as Common Area for the benefit of the Community. Unless otherwise approved by the Developer, or the Board of Directors, When Empowered, or unless otherwise set forth in the Regulations as amended, these parking spaces are for the use of the guests, invitees, and licensees of the Townhome Lot Owners and are not to be used by the Townhome Lot Owners as additional parking spaces for themselves or other residents of the Townhomes in the Community. Violations of use of the parking spaces shall be determined in the sole discretion of the Developer or Board of Directors of the Association, When Empowered, and the Developer or Board of Directors, When Empowered, may levy Assessments for Non-Compliance against a Townhome Lot Owner as they, in their sole discretion may deem appropriate, or may deprive the offending Townhome Lot Owner of the use of such parking spaces for such period of time as the Developer or Board of Directors of the Association, When Empowered, in its discretion, may deem appropriate. Notwithstanding the foregoing, the Developer and the Association, When Empowered, shall have the right to exercise all other remedies set out in the Declaration.

ARTICLE V
ELECTIVE SERVICES

The Developer or the Association, When Empowered, shall enjoy the right to provide such additional services to the Townhome Lots as they may determine in their sole and absolute option and discretion and may establish policies setting how and when these services may be provided. The Developer or the Association, When Empowered, may also create policies setting out minimum standards for each Townhome Lot Owner's responsibility and obligation for the maintenance and protection of their Townhome, as well as the cost of and the method for payment of any cost associated with this maintenance, protection or these policies, if such policies require payment from a Townhome Owner to the Association or another entity designated by the Board of the Association. Such additional services or Owner responsibilities may include, but are not limited to: (1) pest control and prevention, including but not limited to bonding for treatment of or work to repair damaged, infested or threatened areas in, on or under a Townhome; (2) foundation repair, monitoring, and stabilization; (3) gutter cleaning; (4) pressure washing; (5) security monitoring and (6) landscape services. Notwithstanding the foregoing, though the Developer or the Association, When Empowered, may

determine whether these services will be provided and the cost and level of such services to be provided, the Developer and the Association shall not in any way be obligated to provide one or more of any of the above described elective services. The cost of any elective service provided by the Developer or the Association, When Empowered, along with the administrative cost, collection cost, attorney fees and other related cost, shall be assessed against the Townhome Lot of each Owner required to pay such assessment in accordance with Article VI of the Declaration.

The Developer or the Board of Directors of the Association, When Empowered, shall have the right to establish reserves, along with the terms for payment thereof, for the provision of elective services, if and when they are to be provided by the Association or an entity designated by the Association. The Developer or Board of Directors of the Association, When Empowered, may establish such reserves without the necessity of an affirmative vote of the membership of the Association, it being acknowledged and agreed that such reserves shall be necessary for the proper maintenance and preservation of the health and property of the Owners within the Community.

With the exception of irrigation and irrigation maintenance when a common irrigation system exists, nothing herein shall require the Developer or the Association to provide the services set forth in Article V, but the easement shall be for the purpose of providing these elective services if the Developer or the Board of Directors, When Empowered, elect to provide such services. If the Developer or the Board of Directors, When Empowered, elects to provide these services, then the Townhome Lot Owner will be obligated to pay Assessments to cover the cost of such services, along with such related cost as set out herein.

ARTICLE VI
TERMITE SERVICE

With the initial transfer of title to a Townhome from the Developer, each Townhome Owner may be provided with bonded protection against subterranean termites and possibly other selected pests and/or hazards. Unless such cost and responsibility is assumed by the Association through a policy adopted by the Board of the Association, it shall at all times be the responsibility of each Townhome Lot Owner to maintain this policy and to pay any and all cost associated with maintaining this policy, including but not limited to renewal fees and additional treatment fees, or the same for a policy deemed appropriate by the Board of Directors of the Association. Failure to cause protection satisfactory to the Board of the Association to be maintained may be deemed by the Board of the Association to be a violation of the Declaration. Upon such determination, the Association shall have all remedies for non-compliance available to it under the Declaration to ensure that the policy or a comparable policy remains in place for any Townhome. The Association shall also have the authority, where coverage satisfactory to the Association is not maintained, to cause coverage to be issued for a specific Townhome and assess the non-compliant Townhome Owner for such associated cost. In the event that a Townhome Owner fails to maintain coverage satisfactory to the Board of the Association and it is determined by the Board of the Association that the Townhome Owner's failure to maintain such a policy resulted in the infestation of or damage to a portion of another Townhome, the non-compliant Townhome Owner shall reimburse the affected Townhome Owner for all cost of the repair of such damage or any additional treatment cost incurred by that affected

Townhome Owner, as the same may be determined appropriate by the Board of the Association to be within the bounds of coverage for pests that would have been provided by a policy that would have met the minimum standard for protection established by the Association's Board. Should the non-compliant Townhome Owner fail to pay such costs when notified by the Association to do so, the Association may levy an Assessment for Non-Compliance equal to or greater than the cost incurred by the affected Townhome Owner or the Association, including and related cost attorney fees and administrative cost incurred by the Association or other affected Townhome Lot Owner.

ARTICLE VII
ARCHITECTURAL CONTROL

In addition to the requirements contained in other provisions of the Declaration that require a Townhome Lot Owner to obtain approval from the Developer or the Architectural Control Authority, When Empowered, for any Structure (including all landscaping, lighting, statuary, etc.) to be installed, placed or changed on any part of a Townhome Lot, no Structure shall be constructed or maintained within the Restricted Use Area without the consent of the Developer or the prior written approval of the Architectural Control Authority, When Empowered. A Garden Fence must at all times comply with the approval requirements for Structures set forth herein and in the Declaration.

ARTICLE VIII
RESTRICTED USE AREA AND GARDEN FENCES

Section 1. USE RESTRICTIONS.

(a) The Developer, for the benefit of the Benefiting Parcel Owner, restricts the Restricted Use Area and hereby grants to the Benefiting Parcel Owner an easement for the exclusive use and enjoyment of the Benefiting Parcel Owner and his family, guests and invitees. The Restricted Use Area shall at all times be contained in an Affected Parcel and may include patios, porches and other structures used by the Benefiting Parcel Owner, while being located on an Affected Parcel. If a Garden Fence for a Benefiting Parcel is constructed across a side or rear property line between the Benefiting Parcel and an adjoining Townhome Lot, Townhome Lots, and/ or Common Area, the Restricted Use Area for the Benefiting Parcel shall include (and shall have the rights of use provided herein for) that portion of that adjoining Townhome Lot, Townhome Lots and/or or Common Area. Alternatively, should a Garden Fence be constructed or designated to be within a Townhome Lot, the portion of the Townhome Lot that is outside of the Garden Fence shall, if adjoining another Townhome Lot, become a part of the Restricted Use Area of that adjoining Townhome Lot. For illustrative purposes see Exhibit 2 attached hereto, and incorporated herein. If the Garden Fence is constructed inside the Benefiting Parcel, and the adjoining property is a Common Area, the maintenance of any portion of the Benefiting Parcel that extends beyond the Garden Fence shall be the responsibility of the Association.

(b) In addition to the Declaration, the Regulations and the Architectural Guidelines, the Restricted Use Area is subject to the following additional restrictions:

(i) So long as the Developer owns any portion of the Property, the Developer may encroach, or allow the encroachment of a Garden Fence upon a Townhome Lot.

(ii) Prior to the Benefiting Parcel Owner having the right to the exclusive use of the Restricted Use Area, the Garden Fence must be constructed or designated on the Affected Parcel(s). The Benefiting Parcel Owner shall not have any right to use the Restricted Use Area during such time that the Affected Parcel Garden Fence is not constructed or designated, unless approved otherwise by the Developer or the Architectural Control Authority, When Empowered. Notwithstanding the foregoing, if a Garden Fence has not been constructed or designated at the rear of the Affected Parcel or Benefiting Parcel, then, until such time as it is constructed or designated, the rear property line of the Affected Parcel(s) shall be deemed to enclose the Restricted Use Area in the same manner as if a Garden Fence had been constructed on or near the rear property line.

(iii) Notwithstanding anything to the contrary contained herein, the Affected Parcel Owner shall at all times enjoy the right to maintain his Dwelling and Garden Fence as required hereunder. The Benefiting Parcel Owner may not place any Structure within the Restricted Use Area which would impair or impede the Affected Parcel Owner's access to provide maintenance to the Garden Fence or to construct or maintain the Dwelling or other Structures approved by the Developer or the Architectural Control Authority, When Empowered

(iv) No Structure shall be permitted in the Restricted Use Area which limits access by any party with a right to access the Restricted Use Area.

(v) The Affected Parcel Owner shall at all times have the right to maintain, repair and replace the Garden Fence and any portion of the Dwelling or Structure a portion of the boundary of the Affected Parcel. In the event the Affected Parcel Owner disturbs any shrubbery or landscaping within the Restricted Use Area that was previously approved by the Developer or Architectural Control Authority, When Empowered, the Affected Parcel Owner must repair or replace the same at his expense.

Section 2. MAINTENANCE OF THE RESTRICTED USE AREA AND GARDEN FENCES.

(a) The Benefiting Parcel Owner shall be solely responsible for the maintenance, repair and preservation of the Restricted Use Area and shall be liable for any and all occurrences within the Restricted Use Area. The Developer and the Association shall not be required to provide maintenance, repair or replacement of any Garden Fence. Notwithstanding the foregoing, the Developer and the Association, pursuant to Article II, Section 15 of the Declaration shall have the right to enter upon the Affected Parcel for the purpose of construction, maintenance, repair and replacement of the Garden Fence, Dwelling or other Structure located on the Affected Parcel. If the Developer or the Board of Directors, When Empowered, elects to provide such services, then the Benefiting Parcel Owner will be obligated to pay any Assessments levied to pay for cost of such services.

(b) The Developer or the Association, When Empowered shall have the right to access and maintain the Restricted Use Area in the event the Owner of the Benefiting Parcel fails to do so.

(c) Unless the Developer or the Association voluntarily assumes responsibility for the maintenance, repair or replacement of the Garden Fence or unless the Garden Fence is a Structure other than as described hereafter, such as the wall of a Dwelling where the responsibility for maintenance shall be the responsibility of the Affected Parcel Owner or a brick fence or landscaping where the responsibility for repair or maintenance shall be shared equally between the two Townhome Lot Owners; it shall be the responsibility of each Townhome Lot Owner to maintain, repair and replace Garden Fences as follows: (i) the adjoining Townhome Lot Owners shall each, at his cost, maintain, repair and replace the portion of the Garden Fences facing that Owner's Townhome Lot (slats or pickets, etc.), and (ii) each Towmhome Lot Owner shall maintain, repair or replace and pay an equal share in the cost of the maintenance, repair or replacement of the structural members (posts and framing, etc.) of the Garden Fence. Provided, however, that any damage or destruction caused by the specific actions or negligence of one Townhome Lot Owner shall be repaired or replaced at the expense of the Townhome Lot Owner causing such damage. Should a Garden Fence be constructed on or front immediately upon a Common Area, an area maintained by the Association or on a road right-of-way and fall on or along the boundary lines between a Townhome Lot and Common Area or an area maintained by the Association or a road right-of-way, the duty of and cost of the maintenance, repair or replacement of such Garden Fence shall, unless partially or totally assumed by the Association, be solely that of the Townhome Lot Owner. Garden Fences shall be considered Structures on the Townhome Lot for all purposes under the Declaration. In the event of a disagreement between two or more Townhome Lot Owners or between one or more Townhome Lot Owner(s) and the Association with respect to the responsibility of a Townhome Lot Owner or the Association for the maintenance, repair or replacement of a portion of a Garden Fences, the Developer or the Architectural Control Authority, When Empowered, shall have the sole authority to determine responsibility and to enforce the requirement set out herein that the Garden Fences be repaired, maintained or replaced by the responsible Townhome Lot Owner or Owners and/or by the Association. The Association shall be entitled to any and all enforcement remedies for non-compliance against the responsible Townhome Lot Owner(s) contained in the Declaration.

Section 3. EASEMENT OF ENCROACHMENT FOR PLACEMENT OF GARDEN FENCES AND DWELLINGS ON TOWNHOME LOTS.

The Developer reserves unto itself and its successors and assigns, a perpetual, alienable, easement, over, upon, and across and under each Townhome Lot and Common Area for the unintentional placement or settling or shifting of Garden Fences or Dwellings constructed, reconstructed, or altered in accordance with any required approval on any Townhome Lot or portion of Common Area adjacent to any Townhome Lot. Unless otherwise provided for in this Supplemental Declaration, such Garden Fences or Dwellings must be reconstructed to a distance of not more than one foot (1') from the original location of the Townhome or Garden Fence and must be approved by the Developer or the Architectural Control Authority, When Empowered; provided, however, in no event shall an easement for encroachment exist if such encroachment

occurred due to willful and knowing conduct on the part of an Owner, tenant, occupant, or the Association. An illustration of such a Restrictive Use Area encroachment is shown on Exhibit 7 attached hereto and incorporated herein.

ARTICLE XIX
GENERAL PROVISIONS

Section 1. THE DEVELOPER, THE ASSOCIATION OR THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED, THEIR AGENTS, EMPLOYEES AND OFFICERS SHALL NOT BEAR RESPONSIBILITY FOR THE REPAIR OR REPLACEMENT OF ANY LANDSCAPING PLANTED, SPECIAL GRADING ESTABLISHED, OR STRUCTURE CONSTRUCTED WITHIN ANY EASEMENT DESCRIBED IN THIS ARTICLE, WHETHER PLANTED, ESTABLISHED OR CONSTRUCTED WITHIN AN EASEMENT INTENTIONALLY OR INADVERTENTLY AND WHETHER APPROVED OR NOT BY THE DEVELOPER OR THE ARCHITECTORAL CONTROL AUTHORITY, WHEN EMPOWERED. The rights and easements conferred and reserved herein shall be appurtenant to any property whether or not subject to this Declaration and shall be an easement in gross of a commercial nature for the benefit of the Developer to serve any property whether or not subject to this Declaration, which easements shall be assignable and run with the title to the land.

Section 2. The powers granted herein to the Developer and the Association, When Empowered, and the requirements on the Owners are supplemental to the Declaration and shall not limit, reduce or otherwise affect the rights, powers, duties and obligations set out in the Declaration.

Section 3. In the event any provision contained in the Supplement shall conflict with the provisions of the Declaration, the provisions of the Supplement will control as to the Property described in Exhibit A.

Section 4. **Violation of this Townhome Supplement is a violation of the Declaration and subjects the violator to all actions, assessments, fines and liens set out in the Declaration. Violation of this Townhome Supplement shall entitle the Developer and the Association, When Empowered, to all remedies and enforcement rights granted in the Declaration.**

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed by its proper officers and its corporate seal to be affixed thereto on the day and year first above written.

DEVELOPER:

By: _____
Its: PRESIDENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF Richland)

ACKNOWLEDGMENT

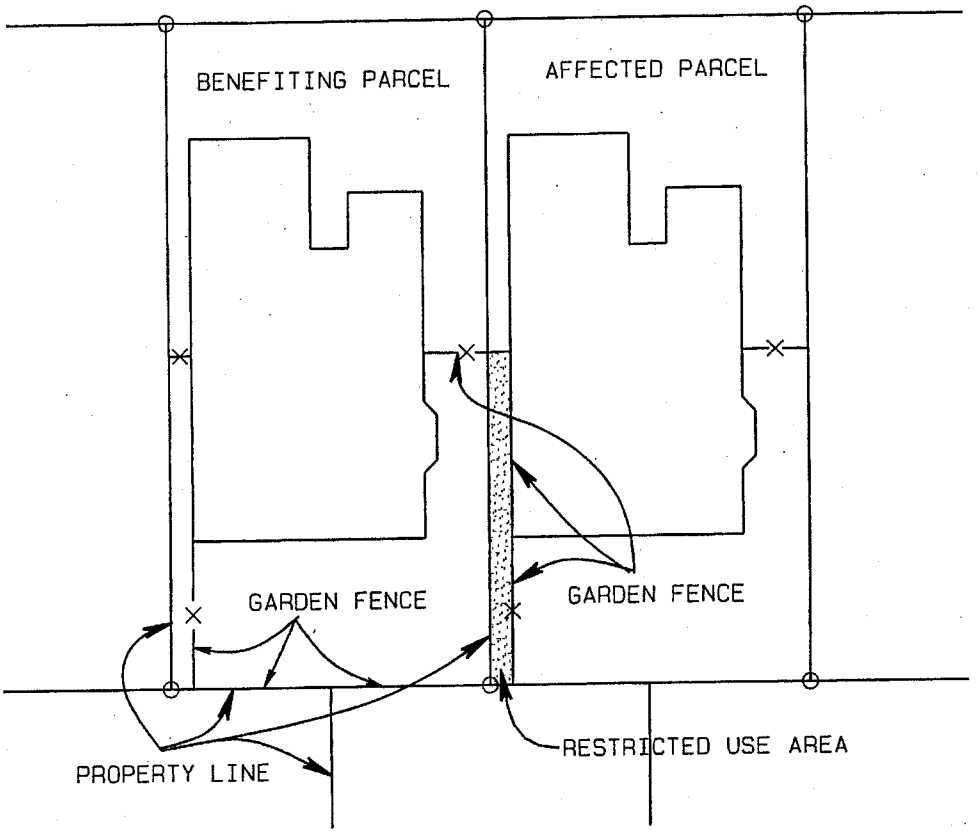
I, Shiela M. Cadden, Notary Public for the State of South Carolina, do hereby certify that the above-signed authorized signatory for the Developer personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Sworn and subscribed to before me this 27th day of September, 2007.

Shiela M. Cadden (SEAL)
Print Name: Shiela M. Cadden
Notary Public for South Carolina
My Commission Expires: 10/4/2016

EXHIBIT "2"

RESTRICTED USE AREA - TYPICAL



RESTRICTED USE AREA - ENCROACHMENT