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**DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS**

**FOR**

**FOX CHASE AT COLLINS CREEK**

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**DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS  
FOR FOX CHASE AT COLLINS CREEK**

**THIS DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS FOR FOX CHASE AT COLLINS CREEK** is made as of the 2d day of September, 2005 by McQuiddy Family Properties, Inc., (hereinafter referred to as "Declarant").

**BACKGROUND STATEMENT**

Declarant is the owner of certain real property in Horry County, South Carolina, which is more particularly described on Exhibit A attached hereto and made a part hereof.

Declarant intends to develop on lands, including the real property above, a development to be known as Fox Chase at Collins Creek (hereinafter referred to as the "Development"). Declarant intends by this Declaration to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the property now or hereafter made subject to this Declaration, by the recording of this Declaration and amendments thereto. Declarant also desires to establish a method for the administration, maintenance, preservation, use and enjoyment of the property that is now or hereafter subjected to this Declaration and certain other properties described in this Declaration.

Declarant has caused the Association (as hereinafter defined) to be formed as a non-profit corporation to perform certain functions for the common good and general welfare of the owners (as hereinafter defined).

The Declarant hereby declares that all of the real property described above shall be held, sold and conveyed subject to this Declaration of Covenants, Restrictions, and Easements, which is for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property (as hereinafter defined). The covenants, restrictions, and easements set forth herein shall run with the Property, and shall be binding on all parties having or acquiring any right, title or interest in the property or any part thereof, and shall, subject to the limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, devisees, successors and assigns and to the benefit of the Association.

**ARTICLE I  
DEFINITIONS**

The following words, when used in this Declaration of Covenants, Restrictions, and Easements, shall have the following meanings:

- 1.01 Association: "Association" means Fox Chase Homeowners' Association, Inc. (a non-profit, non-stock, membership corporation organized under the South Carolina Not for Profit Corporation code), its successors and assigns.

- 1.02 Board: "Board" means the Board of Directors of the Association.
- 1.03 By-Laws: "By-Laws" means the By-Laws of the Association.
- 1.04 Commencement Date: "Commencement Date" means the date on which the first lot is conveyed to a third party other than Declarant.
- 1.05 Common Property: "Common Property" means all real property (together with any and all improvements now or hereafter located thereon) owned by the Association or in certain instances over which the Association has been granted permanent easements, for the common use and enjoyment of the owners.
- 1.06 Declarant: "Declarant", McQuiddy Family Properties, Inc., and its successor-in-title and assigns, provided any such successors-in-title or assigns shall acquire for the purpose of development or sale all or any portion of the remaining undeveloped or unsold portions of the real property described in Exhibit "A", or the real property which is intended to become part of the Development, and provided further, in the instrument of conveyance to any such successor-in-title or assign, such successor-in-title or assign is designated as the "Declarant" hereunder by the Grantor of such conveyance; provided, further, upon such designation of successor Declarant, all rights and obligations of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the property described in Exhibit "A", attached hereto, and which is now or hereafter subjected to this Declaration, there shall be only one person or legal entity entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.
- 1.07 Development-Wide Standard: "Development-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing in the Development. Such standard may be more specifically determined by the Board and by committees required or permitted to be established pursuant to this Declaration or the By-Laws. Such determination, however, must be consistent with the Development-wide standard originally established by the Declarant.
- 1.08 Lot: "Lot" means any parcel of land shown upon a subdivision plat recorded in the office of the Clerk of Court for Horry County, covering any portion of the Property, as such boundaries may be modified in accordance with Section 6-03, provided, however, that no portion of the common Property shall ever be a Lot except as provided in section 2.05.
- 1.09 Member: "Member" means any member of the Association.
- 1.10 Membership: "Membership" means the collective total of all Members of the Association.

- 1.11 Occupant: "Occupant" shall mean any person occupying all or any portion of a Residence located within the Development for any period of time, regardless of whether such person is a tenant or the owner of such property.
- 1.12 Owner: "Owner" means the record owner (including Declarant), whether one or more persons or entities, of a fee simple title to any Lot; provided, however, that where fee simple title has been transferred and is being held merely as security for the repayment of a loan, the person or entity who would own the Lot in fee simple if such loan were paid in full shall be considered the Owner.
- 1.13 Parcel: "Parcel" shall mean and refer to separately designated residential areas comprised of various types of housing initially or by annexation made subject to this Declaration. For example, and by way of illustration and not limitation, a condominium development, a townhouse development, and a single family detached home subdivision may all be designated as separate parcels. If separate parcel status is desired, the Declarant shall designate in an amendment to this Declaration subjecting the property to the terms and conditions of this Declaration that such property shall constitute a separate parcel or parcels. In the absence of specific designation of separate parcel status, all property made subject to this Declaration shall be considered a part of the same parcel. The Board may also grant parcel status to any area if so requested in writing by the owners holding at least seventy-five 75% percent of the total vote entitled to vote thereon in such area.
- 1.14 Property: "Property" means that certain real property hereinabove described, together with such additional real property as may be subjected to the provisions of this Declaration in accordance with the provisions of Article X hereof.
- 1.15 Residence: "Residence" shall mean a structure and the Lot on which it is situated which is intended for independent use and occupancy as a residence for a single family.
- 1.16 Restriction: "Restriction" means all covenants, restrictions, easements, charges, liens and other obligations created or imposed by this Declaration.
- 1.17 Structure: "Structure" means:
- a. Greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, dock, fence, curbing, paving, wall, tree, shrub (and all other forms of landscaping), sign, signboard, temporary or permanent living quarters [including any house trailer] or any other temporary or permanent improvement to such Lot;



b. Any excavation, grading, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from, upon or across any Lot;

c. And any change in the grade at any point on a Lot of more than eighteen (18) inches, whether or not Subsection (b) of this Section 1.17 applies to such change.

## ARTICLE II COMMON PROPERTY

### 2.01 Conveyance of Common Property:

a. The Declarant may from time to time convey to the Association or grant easements to the Association, at no expense to the Association and in accordance with this Section, real and personal property for the common use and enjoyment of the Owners of Residences (such real and personal property is hereinafter collectively referred to as "Common Property") and, to the extent set forth in this Declaration of Covenants, Restrictions and Easements, the general public. The Association hereby covenants and agrees to accept from the Declarant all such conveyances of Common Property.

b. It is contemplated by the Declarant that the Declarant will convey to the Association Common Property for scenic and natural area reservation preservation and for general recreational use to include facilities for swimming. The Declarant may, at Declarant's sole discretion, modify, alter, increase, reduce and otherwise change the Common Property contemplated to be conveyed to the Association in accordance with this subsection (b) of this Section 2.01 at any time prior to conveyance of such Common Property to the Association.

c. In addition to the property described in Subsection (b) of this Section 2.01, the Declarant may convey to the Association in accordance with this Section 2.01 such other real and personal property as the Declarant may determine to be necessary or proper for the completion of the Development.

d. Notwithstanding any legal presumption to the contrary, the fee title to, and rights in any portion of the Property owned by the Declarant and designated as Common Property or designated for public use shall be reserved to the Declarant until such time as the same shall be conveyed to the Association or to any municipality or other governmental body, agency or authority.

e. Lakes and drainage ways shall, without limitation, be included in the property that may be conveyed by Declarant and which shall be accepted by the Association. Declarant shall not be required to make any improvements whatsoever to the property to be conveyed and accepted pursuant to this section including, without limitation, dredging or otherwise removing silt from any lake that may be conveyed.

2.02 Right of Enjoyment: Every Owner of a Lot shall have a right and easement to use and enjoy the Common Property, which right shall be appurtenant to and shall pass with the title to every Lot upon transfer; provided, however, that no owner shall do any act which interferes with the use and enjoyment of the Common Property by all other owners. The Association may permit persons who are not Owners of Lots to use and enjoy part of all of the Common Property subject to such limitations, and upon such terms and conditions, as it may from time to time establish. The right and easement of enjoyment granted or permitted by this section 2.02 is subject to suspension by the Association as provided in Sections 2.03 (d) and 3.05.

2.03 Rights of Association: The rights and privileges conferred in Section 2.02 hereof shall be subject to the right, and where applicable, the obligation, of the Association acting through the Board to:

(a) Promulgate rules and regulations relating to the use, operation and maintenance of the Common Property:

(b) Borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by mortgage or other security interest any or all of the Association's property including Common Property and revenues from assessments, user fees and other sources; and provided, however, that, during the period when the Declarant has the right to appoint members of the Board, the Association shall not deed, grant or convey to anyone any mortgage or other security interest on or in Common Property constituting real estate without approval by Declarant and two-thirds (2/3) vote of the Members who are present in person or by proxy and voting at a meeting of members duly held in accordance with the By-Laws of the Association;

(c) Grant easements or right-of-way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency, or to any utility company or cable television system;

(d) Suspend, pursuant to Section 3.05, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.

(e) Enforce all applicable provisions of valid agreements of the Association relating to the Common Property or any part thereof;

(f) And maintain any and all landscaping treatments previously installed by the Declarant, to the extent that such is not otherwise maintained by the county and/or municipal entity having jurisdiction over the roads serving the Property.

- 2.04 Conveyance of Common Property by Declarant to Association: The Declarant may transfer or convey to the Association any personal property and any improved or unimproved property leasehold, easement or other property interest which is or may be subjected to the terms of this Declaration. Such conveyance shall be accepted by the Association and the property shall thereafter be Common Property to be maintained by the Association for the benefit of all of its Members. Lakes and drainage ways, if any, shall, without limitation, be included in the property that may be conveyed by Declarant and which shall be accepted by the Association.
- 2.05 Types of Common Property: At the time of the conveyance of any real property or grant of easement by the Declarant to the Association to be used as Common Property, the Declarant shall designate in the deed of conveyance or easement that such real property is to be Common Property, and further may designate in the deed of conveyance or easement the specific or general purpose or purposes for which such real property or any portion thereof may be used, and in such event, such real property or portion thereof shall not be used for any different purpose or purposes without the prior written consent of the Declarant and a two-thirds (2/3) vote of the Members of the Association.
- 2.06 Delegation of Use: Any Owner may delegate to the members of his family or his tenants who reside on a Lot, in accordance with the By-Laws, his right to use and enjoy the Common Property.
- 2.07 Maintenance: The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and improvement situated on the Common Property. In addition, the Association shall maintain grass and other landscaping located along or in dedicated rights of way which were installed and maintained by Declarant, to the extent permitted by the applicable governmental authority, and shall maintain all entry features and retention ponds for the Development. On drainage ways that abut adjoining property, the Association will share in the cost of their maintenance with the adjoining property. Lot owner will be responsible for maintaining the area along the water line. The foregoing maintenance shall be performed consistent with the Development-wide standard. The Association will also have the right, but no the obligation, to maintain and provide services for other property not owned by the Association,

whether located within or without the boundaries of the Development, and to enter into easements and agreements to share costs regarding such property where the Board has determined that this would benefit the Owners.

**ARTICLE III**  
**FOX CHASE AT COLLINS CREEK HOMEOWNERS ASSOCIATION**

- 3.01 Purposes, Powers and Duties of the Association. The Association shall be formed as a non-profit civic organization for the sole purpose of performing certain functions for the common good and general welfare of the people of the Development. The Association shall have no power or duty to do or perform any act or thing other than those acts and things which will promote in some way the common good and general welfare of the people of the Development. To the extent, and only to the extent, necessary to carry out such purpose, the Association (a) shall have all of the powers of a corporation organized under the South Carolina not for Profit Corporation code and (b) shall have the power and duty to exercise all of the rights, powers, and privileges and to perform all of the duties and obligations of the Association as set forth in this Declaration.
- 3.02 Membership in the Association: Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in this Declaration of Covenants, Restrictions, and Easement. For purposes of voting, there shall be two (2) classes of members set forth in section 3.03.
- 3.03 Voting Rights:
- a. Each owner of a Lot, with the exception of Declarant shall be a Class A Member and shall be entitled to one (1) Class A vote per Lot owned by such Owner. Where such Owner is a group or entity other than one individual person, the vote on behalf of such owner shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the Secretary of the Association.
  - b. The Declarant shall be the sole class B Member and shall be entitled to three (3) votes for each Lot owned; provided, however, in no event shall the Class B Member have less than the total number of Class A votes plus one (1). The Class B Membership shall cease and be converted to Class A Membership at such time as Declarant no longer retains the right to appoint and remove members of the Board and officers of the Association pursuant to Section 3.08 below.
  - c. The Development will be composed of Lots to be developed in phases containing unequal numbers of Lots. Each such phase will be

platted of record in the Office of the Clerk of Court of Horry County in accordance with Article X of this Declaration. The Declarant shall notify the Association in writing when the final phase of the Development has been so platted of record. By acceptance of a deed conveying a Lot, each Owner acknowledges that, upon the filing by Declarant of the Subdivision plats covering such phases, the total votes outstanding in the Association will automatically increase based upon the number of Lots in the phases added and in accordance with the formula set forth in subsection (b) of this Section 3.03 and in no event shall Class B Membership cease and be converted to Class A Membership (as provided in Subsection (b) of this Section 3.03) until after the Association receives the written notice provided for in the preceding sentence; provided, however, nothing contained herein shall obligate the Declarant to develop any proposed phase of the Development unless such phase is subjected to this Declaration.

3.04 Board of Directors: The affairs of the Association shall be managed by a Board of Directors. The number of directors and the method of election of Directors shall be as set forth in the By-Laws of the Association.

3.05 Suspension of Membership: The Board may suspend the voting rights of any Member and the right of enjoyment of the Common Property of any person who:

a. Shall be subject to the Right of Abatement, as defined in Section 8.02 by reason of having failed to take the reasonable steps to remedy a violation or breach or either the Restrictions or the Design Standards of the ACC (as herein defined) within thirty (30) days after having received notice of the same pursuant to the provisions of Section 5.11, or 8.02 hereof;

b. Shall be delinquent in the payment of any assessment levied by the Association pursuant to the provisions of Article IV hereof; or

c. Shall be in violation of any of the rules and regulations of the Association relating to the use, operation and maintenance of Common Property.

Such suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in Subsection of this Section 3.05, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

3.06 Termination of Membership. Membership shall cease only when a person ceases to be an owner.

3.07 Voting Procedures: The procedures for the election of Directors of the Association and the resolution of such other issues as may be brought before the Membership of the Association shall be governed by this Declaration, the South Carolina not for Profit Corporation Code, the Articles of Incorporation of the Association, and the By-Laws of the Association, a copy of which is attached hereto as Exhibit "B", as each shall from time to time be in force and effect.

3.08 Control by Declarant:

(a) Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the By-Laws of the Association, Declarant hereby retains the right to appoint and remove any members of the Board of the Association, and any officer or officers of the Association until fifteen (15) after the first of the first of the following events shall occur: (i) the expiration of ten (10) years after the date of the recording of this Declaration, (ii) the date upon which all of the Lots intended by Declarant to be a part of the Development have been conveyed to Owners other than a person or persons constituting Declarant; or (iii) the surrender by Declarant of the authority to appoint and remove directors and officers by an express amendment to this Declaration executed and recorded by Declarant.

(b) Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of this Section, such right shall automatically pass to the owners, including Declarant if Declarant then owns one or more Lots; and a special meeting of the Association shall be called at such time. At such special meeting the owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board and Declarant shall deliver the Books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period which Declarant has in its possession. Each owner by acceptance of a deed to or other conveyance of a Lot vests in Declarant such authority to appoint and remove directors and officers of the Association as provided in this Section. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IV  
ASSESSMENTS

- 4.01 Covenants for Assessments and Creation of Lien and Personal Obligation:  
Each owner of a Lot, jointly and severally, for himself, his heirs, devisees, legal representatives, successors and assigns, by acceptance of a deed for a Lot, whether or not the covenants contained herein shall be expressed in any such deed, hereby covenants and agrees as follows:
- a. To pay to the Association the annual assessments which may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him.
  - b. To pay to the Association any special assessments for capital improvements and other charges, which may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him.
  - c. That there is hereby created a continuing charge and lien upon all Lots owned by him against which all such assessments are made to secure payment of such assessments and any interests thereon as provided in Section 4.09 hereof and costs of collection including reasonable attorneys' fees.
  - d. That such continuing charge and lien on such Lot binds such Lot in the hands of the then Owner, and the Owner's heirs, devisees, legal representatives, successors and assigns. Such charge and lien is superior to any and all charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon such Lots whether arising from or imposed by judgment or decree or by any agreements, contract, mortgage, or other instrument, except (i) such liens for taxes or other public charges as are by applicable law made superior, and (ii) all mortgages given to secure a loan the proceeds of which are used (1) to purchase a Lot or Lots together with any and all structures which may from time to time be placed or located thereon or (2) to finance the construction, repair, or alteration of any or all structures which may from time to time be placed or located thereon.
  - e. That no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Lot from liability for any assessment thereafter assessed.
  - f. That all annual, special and specific assessments (together with interest thereon as provided in Section 4.09 of this Declaration and costs of collection including reasonable attorneys' fees) levied against any Lot owned by him during the period that he is an Owner shall be (in addition to being a continuing charge and lien against such Residence as provided in Section 4.01 of this Declaration) a personal obligation which will survive any sale or transfer of the Residence owned by him; provided, however, that such personal obligation for delinquent assessments shall

not pass to an owner's successor in title unless expressly assumed by such successor.

4.02 Purpose of Assessments: The assessments levied by the Association shall be used exclusively for the purpose of providing for the common good and general welfare of the people of the Development, including, but not limited to, security, the acquisition, construction, improvement, maintenance, and equipping of Common Property, the enforcement of the restrictions contained in this Declaration, the enforcement of the Design Standards of the ACC, the payment of operating costs and expenses of the Association, and the payment of all principal and interest when due on all debts owed by the Association.

4.03 Accumulation of Funds Permitted: The Association shall not be obligated to spend in any calendar year all the sums collected in such year by way of annual assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

4.04 Annual Assessment:

a. Beginning on the Commencement Date and continuing thereafter until January 1 of the year immediately following the Commencement Date, each Lot shall be subject to a maximum annual assessment of \$700.00 Dollars per Lot until the year the swimming pool is to be built by the Declarant for the common use and enjoyment of the Owners of Lots; thereafter, each Lot shall be subject to a maximum annual assessment of \$900.00 Dollars, as may be adjusted after December 31, 2005 pursuant to Sections 4.04 (b) and (c), below. At the time of closing on each Lot, such Lot shall be assessed an initial capital contribution of \$100.00 in addition to the annual assessment then due. In the event that the Commencement Date falls on a day other than January 1 the annual assessment for such year shall be prorated so that each owner pays an annual assessment proportional to the number of days remaining in the calendar year. The words "Assessment Year" as used herein shall mean the calendar year, and the First Assessment Year shall be the year in which this Declaration is recorded.

b. Commencing with the first Assessment Year and continuing thereafter, without a vote of the membership, the annual assessment may be increased at any time and from time to time during each Assessment Year by a maximum percentage which is equal to the greater of (i) ten (10%) percent, or (ii) the percentage increase, if any, in the Consumer Price Index for all Urban Consumers (the "CPI") as published by the Bureau of Labor Statistics of the U.S. Department of Labor for the United



States. All items (base year 1967=100) for the monthly period ending on October 31 as of the month immediately preceding each Assessment Year over the CPI for the monthly period ending on October 31 one year earlier). If such Consumer Price Index should cease to be published, the Association shall use the most comparable governmental index published in lieu thereof.

c. Commencing with the first Assessment Year and continuing thereafter, the annual assessment for each Assessment Year may at any time and from time to time be increased more than the amount permitted in section 4.04 (b) if such increase is approved by a two-thirds (2/3) vote of the Members of the Association who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the provisions or the By-Laws of the Association and this Declaration.

4.05 Special and Parcel Assessments:

a. In addition to the annual assessments authorized by this Article IV, the Association may levy, in any Assessment Year and with such frequency as the Association shall deem necessary, special assessments for the purpose of paying, in whole or in part, any unanticipated operating expenses, as well as the cost or any construction, reconstruction, repair or replacement of a capital improvement on the Common Property. Such special assessments may be levied by the Board in any Assessment Year without the approval of the Members, which special assessments in the aggregated do not exceed an amount equal to the annual assessment then in effect. Special assessments exceeding said amount shall require the approval of two-thirds (2/3) of the Members of the Association who are present in person or by proxy at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association and this Declaration.

b. The Association shall also be authorized to levy, in any Assessment Year and with such frequency as the Association shall deem necessary, parcel assessments for the purpose of paying, in whole or in part, the cost of estimated expenses for the sole benefit of a particular parcel, which Parcel assessments shall be allocated equally among the Lots in a Parcel.

4.06 Assessment Procedure:

a. The Board shall establish the annual assessment for each Assessment Year at an amount not in excess of the maximum annual assessment as determined by the provisions of this Article IV. The annual assessment shall be due and payable on January 1 of each year (such date is hereinafter referred to as the "Due Date"). The Board shall also establish an annual budget which shall list the estimated operating expenses and shall contain an amount to be set aside each year into a reserve allowance to be used for future repair and replacement of the Common Property; provided, however, in no event shall the Board be required to provide for a reserve

sufficient to cover all such future repair and replacement of the Common Property, it being intended that a portion of such costs will be covered by special assessments. The Board shall cause the Association to send each Owner at least thirty (30) days in advance of the Due Date written notice setting forth the amount of the annual assessment and the Due Date. The annual assessment shall become due on the thirtieth (30<sup>th</sup>) day following such written notice or the Due Date, whichever is later. The Board may establish reasonable payment procedures to allow or require payment of the annual assessment in installments during the Assessment Year. The Board shall also establish payment procedures for payment of any special assessments for capital improvements which may be levied in accordance with the provisions of this Article IV.

b. All Members of the Association shall be given written notice by the Board not less than thirty (30) nor more than sixty (60) days in advance of any meeting of the Members of the Association at which the Board shall propose taking action pursuant to section 4.04 (c) or Section 4.05 of this

Article IV. Such written notice shall specify under which Section or Sections the Board will propose action. At such meeting, the presence of Members or of proxies entitled to cast thirty (30%) percent of the total votes outstanding shall constitute a quorum. If the required quorum is not present at such meeting, a second meeting may be called by the Board subject to the same notice requirements, and the required quorum at such second meeting shall be twenty (20%) percent of the total votes outstanding. No such second meeting shall be held more than sixty (60) days following the first meeting. If the required quorum is not present at the second meeting, the Board may take such action without approval of the Members.

4.07 Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate for all Lots.

4.08 Contribution by Declarant: It is anticipated that the Lots owned by the Declarant will not be furnished all of the services available to Lots which have been acquired by other owners. Unoccupied Lots owned by the Declarant shall, at the option of Declarant, be exempt from the payment of assessments. If the Declarant shall exercise its option to be so exempt, Declarant agrees to pay the Association at the end of its annual accounting period, a sum of money equal to the operation deficit experienced by the Association during each year, including however, no amount for reserves for the replacement of improvements. The existence of an amount of any such deficit shall be determined by subtracting the cash expenses of operation from the total amount received by the Association; the Declarant, if obligated to pay such deficit, expressly contingent upon its notice of the amount thereof, shall do so not more than sixty (60) days after the end of such accounting. A Lot shall be deemed "unoccupied"

within the meaning of this Section when no person has begun to use such Lot as a permanent or temporary place of residence. When an unoccupied Lot becomes occupied or when the ownership thereof is transferred from the Declarant to any other person or entity, whichever occurs first, the said Lot shall become subject to payment of the full annual assessment, beginning with the month immediately following day such Lot becomes occupied or is transferred, whichever occurs earlier, for the remaining portion of the year and thereafter.

- 4.09 Effect of Non-Payment of Assessments: Any assessment which is not paid on or before the Due Date shall bear interest after the Due Date at the lower of the highest legal rate of interest which can be charged or the rate of eighteen (18%) percent per annum or at such rate as the Board may from time to time establish, provided, however, that in no event shall the Board have the power to establish a rate of interest in violation of the laws of the State of South Carolina. In the event of default in the payment of any one or more installments of an assessment, the Board may declare any remaining balance of the assessment at once due and payable. In the event that an Owner shall fail to pay fully any portion of any assessment prior to the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with interest and costs of collection including reasonable attorneys' fees, shall be a binding personal obligation of such Owner as well as a lien on such Owner's Lot enforceable in accordance with the provisions of this Declaration.
- 4.10 Certificate of Payment: Upon written demand by an owner, the Association shall within a reasonable period of time issue and furnish to such owner a written certificate stating that all assessments (including penalties, interest and costs, if any) have been paid with respect to any Lot owned by said owner as of the date of such certificate, or that all assessments, interest and costs have not been paid, netting forth the amount then due and payable. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issue as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser of, or lender on, the Lot in question.
- 4.11 Approval by Declarant: Notwithstanding anything to the contrary contained herein, no special assessment shall be made without the Approval of Declarant for so long as Declarant has the right to appoint Officers and Directors of the Association.
- 4.12 Specific Assessments: The Board shall have the power to specifically assess pursuant to this section as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to exercise its

authority under this Section in the future with respect to any expenses, including any expenses for which the Board has not previously exercised its authority under this Section. The Board may specifically assess owners for the following expenses, except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association as provided herein:

(a) Expenses of the Association which benefit less than all of the Lots, which may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received;

(b) Expenses incurred by the Association pursuant to Section 6.13 hereof; and

(c) Reasonable fines as may be imposed in accordance with the terms of the Declaration and By-Laws.

## ARTICLE V ARCHITECTURAL CONTROL

### 5.01 Architectural Control Committee — Creation and Composition:

a. An Architectural Control Committee (the "ACC") shall be established consisting of not less than three (3) or more than five (5) individuals; provided, however, that the ACC shall always have an uneven number of members. Notwithstanding anything to the contrary contained herein, Declarant shall have the right, but not the obligation, to appoint all members of the ACC until the plans for all of the Residences for all of the Lots in the Development have been approved by the ACC. Thereafter, the Board shall appoint the members of the ACC. All costs of operating the ACC may, at the discretion of Declarant, be borne by the Association.

b. Each initial member of the ACC shall be appointed for a term expiring on December 31, 2006. Thereafter each member of the ACC shall be appointed for a calendar-year term. If any vacancy shall occur in the membership of the ACC by reason of death, incapacity, resignation, removal or otherwise, the remaining members of the ACC shall continue to act and such vacancy shall, subject to the provisions of section 5.01 (a), be filled by the Declarant (or Board if at the time the Board has the right to appoint members of the ACC) at the earliest possible time. Any ACC member may resign at any time by giving written notice of such resignation to the chairman of the ACC and such resignation shall take effect on receipt thereof by the chairman of the ACC. Any member of the ACC may be removed at any time with or without cause by the Declarant (or Board if at the time the Board has the right to appoint members of the ACC).

- 5.02 Purpose, Powers and Duties of the ACC: The purpose of the ACC is to assure that any installation, construction or alteration of any structure on any Lot shall be submitted to the ACC for approval (i) as to whether the proposed installation, construction or alteration is in conformity and harmony of external design and general quality with the existing standards of the neighborhood and with the standards of the Development, and (ii) as to the location of structures with respect to topography, finished ground evaluation and surrounding structures. To the extent necessary to carry out such purpose, the ACC shall have all of the powers and duties to do each and every thing necessary, suitable, convenient or proper for or in connection with, or incidental to, the accomplishment or such purpose, including without being limited to, the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any Structure on any Lot.
- 5.03 Officers, Subcommittees and Compensation: The members of the ACC shall appoint a Chairman from among their number and may appoint from among their number such other officers and subcommittees of members of the ACC as they shall from time to time determine necessary. The members of the ACC shall be reimbursed by the Association for traveling expenses and other reasonable out-of-pocket costs incurred in the performance of their duties as members of the ACC.
- 5.04 Operation of the ACC:
- a. Meetings:
- The ACC shall hold regular meetings as needed or as may be established by the ACC. Special meetings may be called by the Chairman at any time and shall be called the Chairman upon the written request of a majority of the members of the ACC then in office. Regular and special meetings of the ACC shall be held at such time and place as the ACC shall specify. Notice of each regular or special meeting of the ACC shall be mailed to each member thereof at this residence or at his usual place of business at least three (3) days before the day the meeting is to be held. Notice of regular and special meetings need not specify the purpose or purposes for which the meeting is called. Notice of a meeting need not be given to any member of the ACC who signs a waiver of notice either before or after the meeting. Attendance of a member of the ACC at a meeting shall constitute a waiver of notice of such meeting and shall constitute a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a member states, at the beginning of the meeting, any such objection or objections to the transactions of business. At each meeting of the ACC, the presence of a majority of the members then in office shall constitute a quorum for the transaction of business. Except if otherwise provided herein, the act of a majority of the members of the ACC present at any

regular or special meeting thereof at which a quorum is present shall constitute the act of the ACC. In absence of a quorum, any member of the ACC present at the time and place of the meeting may adjourn the meeting from time to time until a quorum shall be present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. The ACC shall maintain records of business transacted at each of its meetings; however, letters approving any submissions by owners shall be considered the official record for this business. The ACC shall make such records available at reasonable places and times for inspection by members of the Association and by the Secretary. Any action required to be taken at a meeting of the ACC, or any action which may be taken at a meeting of the ACC, may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all members of the ACC and be filed with the records of the proceedings of the ACC. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document filed by the ACC.

b. Activities: (i) The ACC shall adopt, and promulgate the Design Standards described in Section 5.05 hereof and shall, as required, make findings, determinations, rulings, and orders with respect to the conformity with said Design Standards of plans and specifications to be submitted for approval to the ACC pursuant to the provisions of this Declaration. The ACC shall, as required, issue permits, authorizations or approvals, which may include specified requirements or conditions, pursuant to the provisions of this Declaration.

(ii) Any two (2) or more members of the ACC may be authorized by the ACC to exercise the full authority of the ACC with respect to all matters over which the ACC has authority as may be specified by resolution of the ACC, except with respect to the adoption or promulgation of the Design Standards. The unanimous action of the two (2) or more members with respect to the matters specified shall be final and binding upon the ACC and upon any applicant for an approval, permit or authorization, subject, however, to review and modification by the ACC on its own motion or appeal by the applicant to the ACC as provided in this paragraph (ii). Written notice of the decision of such two (2) or more members shall, within five (5) working days thereof, be given to any applicant for an approval, permit or authorization. The applicant may, within ten (10) days after receipt of notice of any decision he deems to be unsatisfactory, file a written request to have the matter in question reviewed by the ACC. Upon the filing of any such request, the matter with respect to which such request was filed shall be submitted to, and reviewed promptly by, the ACC, but in no event later than thirty (30) days after the filing of such request. The decision of a majority of the members of the ACC with respect to such matter shall be final and binding.

5.05 Design Standards:

a. The ACC shall from time to time adopt, promulgate, amend, revoke and enforce guidelines (the "Design Standards") for the purpose of:

(i) Governing the form and content of plans and specifications to be submitted to the ACC for approval pursuant to the provisions of the Declaration;

(ii) Governing the procedure for such submission of plans and specifications;

(iii) Establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details of construction, location and size of Structures and all other matters that require approval by the ACC pursuant to this Declaration; and

(iv) Assuring the conformity and harmony of external design and general quality of the Development.

b. The ACC shall make a published copy of its current Design Standards readily available to Members and prospective Members of the Association and to all applicants seeking the ACC's approval.

5.06 Submission of Plans and Specifications: No Structure shall be commenced, erected, placed, moved onto, or permitted to remain on any Lot nor shall any existing Structure upon any Lot be altered in any way which materially changes the exterior appearance of the structure or Lot, unless plans and specifications therefore shall have been submitted to and approved in writing by the ACC. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the ACC in the Design Standards, including, without being limited to:

a. A site plan showing the location of all proposed and existing Structures on the Lot including building setbacks, open space, and driveways;

b. A foundation plan;

c. Exterior elevations of all proposed structures and alterations to existing Structures; and

d. Specifications of materials, color scheme, and other details affecting the exterior appearance of all proposed Structures and alterations to existing structures.

5.07 Approval of Plans and Specifications: Upon approval by the ACC of any

plans and specifications submitted pursuant to this Declaration, one (1) copy of such plans and specifications, as approved, shall be deposited for permanent record with the ACC and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Lot or structure of any plans and specifications shall not be deemed a waiver of the ACC's right, in its discretion, similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Lot or structure. Approval of any such plans and specifications relating to any lot or structure, however, shall be final as to that Lot or Structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

5.08 Disapproval of Plans and Specifications: The ACC shall have the right to disapprove any plans and specifications submitted pursuant to this Declaration because of any of the following:

- a. The failure to include information in such plans and specifications as may have been reasonably requested;
- b. The failure of such plans or specifications to comply with this Declaration or the Design Standards; or
- c. Any other matter which, in the judgment of the ACC, would be likely to cause the proposed installation, construction or alteration of a Structure (i) to fail to be in conformity and harmony of external design and general quality with the standards for the Development as set forth in the Design Standards or the Development-wide Standard, or (ii) as to location to be incompatible with topography, finished ground elevation, or surrounding Structures. In any case in which the ACC shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the ACC shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal may be prepared and submitted for approval.

5.09 Obligation to Act: The ACC shall take action on any plans and specifications submitted as herein provided within thirty (30) days after receipt thereof. Approval by the ACC, if granted, together with any conditions imposed by the ACC, shall be placed in writing on the plans and specifications and shall be returned to the applicant. (Failure by ACC to take action within thirty (30) days of receipt of plans and specifications submitted for approval shall be deemed approval of such plans and specifications).



- 5.10 Inspection Rights: Any employee or agent of the Association or the ACC may, after reasonable notice, at any reasonable time or times enter upon any Lot and structure thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any Structure or the use of any Lot or structure is in compliance with the provisions of this Declaration; and neither the Association, nor the ACC, nor any such agent shall be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection, provided such inspection is carried out in accordance with the terms of this section.
- 5.11 Violations: If any Structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with the plans and specifications approved by the ACC pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the ACC such violation shall have occurred, the ACC shall notify the Association and the Board shall take appropriate measures to correct the violation; the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within thirty (30) days after the mailing of the aforesaid notice of violation, then the Association shall have the right of Abatement as provided in Section 8.02 hereof.
- 5.12 Certification of Compliance:
- a. Upon completion of the installation, construction or alteration of any Structure in accordance with plans and specifications approved by the ACC, the ACC shall, upon written request of the Owner thereof or upon the ACC's own initiative, issue a Certificate of Compliance, identifying such structure and the Lot upon which such structure is placed, and stating that the plans and specifications have been approved and that such Structure complies with such plans and specifications. A copy of said Certificate shall be filed for permanent record with the plans and specifications on file with the ACC.
  - b. Any Certificate of Compliance issued in accordance with the provisions of this Section shall be prima facie evidence of the facts therein stated; and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such Certificate shall be conclusive evidence that all structures on the Lot comply with all the requirements of this Article; provided, however, that the Certificate shall in no way be construed to certify the acceptability, sufficiency or approval by the ACC of the actual construction of structures or of the workmanship, or to represent or warrant to anyone the quality, function or operation of the

Structures or of any construction, workmanship, engineering, materials or equipment.

The issuance of the Certificate shall in no way be construed to certify to any party that the Structures have been built in accordance with every detail on the approved plans and specifications.

- 5.13 Fees: The ACC may impose and collect a reasonable and appropriate fee to cover the cost of review of plans and specifications and of inspections performed pursuant to Section 5.10. The fee shall be established from time to time by the ACC and published in the Design Standards.
- 5.14 Non-Discrimination by ACC: The ACC shall not discriminate against any applicant requesting the approval of plans and specifications because of such applicant's race, color, sex, religion, age or national origin. Further, the ACC in the exercise of its powers granted pursuant to this Declaration shall not take any action the intent or effect of which is to discriminate against persons of a particular race, color, sex, religion, age or national origin.
- 5.15 Disclaimer as to ACC Approval: Plans and specifications are not reviewed for engineering or structural design or quality of materials, and by approving such plans and specifications, neither the ACC, the members thereof, nor the Association assumes liability or responsibility therefore, nor for any defect in any structure constructed from such plans and specifications. Neither Declarant, the Association, the ACC, the Board, nor the officers, Directors, members, employees, and agents of any of them shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any owner of property affected by these Restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans and specifications and every Owner agree that he will not bring any action or suit against Declarant, the Association, the ACC, the Board, nor the Officers, Directors, members, employees, and agents or any of them to recover any such damages and hereby releases, remise, quitclaims, and covenants not to use for all claims, demands, and causes of action arising out of or in connection with any judgment, negligence, or non-feasance and hereby waive the provisions of any law which provides that a general release does not extend to claims, demands, and claims of action not known at the time the release is given.

ARTICLE VI  
GENERAL COVENANTS AND RESTRICTIONS

- 6.01 Application: The Covenants and Restrictions contained in this Article VI shall pertain and apply to all lots and to all structures erected or placed thereon.
- 6.02 Restriction of Use: Lots may be used for single-family residences only and for no other purpose provided that Declarant or any builder acquiring any Lots from Declarant may operate a Sales Office and/or Model Home on a Lot or Lots designated or approved by Declarant.
- 6.03 Resubdivision of Property: No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise, without the prior written approval of the ACC of plans and specifications for such split, division, or subdivision. Notwithstanding the foregoing, nothing herein shall prevent Declarant or the Owners of any Lots from combining two or more Lots into one Lot for construction of a single Residence thereon; provided, however, that such combined Lot may not be subdivided thereafter; and, provided, further, that the Owner of the Residence on such Lot shall be responsible for annual and special assessments based upon the number of Lots combined into one Lot. Notwithstanding anything contained herein to the contrary, the Declarant reserves the right to re-plat any Lot still owned by the Declarant and shown upon recorded plats of the Community in order to modify the boundary lines and to take such other steps reasonably necessary or desirable to make such re-platted Lot suitable and fit as a building site to include, but not be limited to, the relocation of easements, rights-of-ways, roads, recreational facilities, and other amenities to conform to the new boundaries of such re-platted Lots; provided, however, that no Lot originally shown on a final recorded plat of the Property shall be reduced to a size more than ten percent (10%) smaller than the smallest Lot shown on such plat.
- 6.04 Erosion Control: No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the ACC of plans and specifications for the prevention and control of such erosion or siltation. The ACC may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include (by way of example and not of limitations) physical devices for controlling the run-off and drainage of water, special precautions in grading and otherwise changing the natural landscape and required landscaping as provided for in Section 6.05. Guidelines for the prevention and control of erosion and siltation may be included in the Design Standards of the ACC.

- 6.05 Landscaping: No construction or alteration of any Structure shall take place without the prior written approval by the ACC of plans and specifications for the landscaping to accompany such construction or alteration. Guidelines for the landscaping to accompany the construction or alteration of any structure may be included in the Development Guidelines of the ACC.
- 6.06 Temporary Buildings: No temporary building, trailer, garage, or building under construction on any Lot shall be used, temporarily or permanently, as a residence except as temporary sleeping or living quarters required or desirable for security purposes in accordance with plans and specifications therefore approved by the ACC.
- 6.07 Signs:
- a. No signs whatsoever (including, but not limited to commercial and similar signs) shall, without the ACC's prior written approval of plans and specifications therefore, be installed, altered or maintained on any Lot, or on any portion of a structure visible from the exterior thereof, except:
    - (i) Such signs as may be required by legal proceedings and for display of all building permits;
    - (ii) The Declarant may place sales related signage on homes and homesites owned by the Declarant along with directional signs to the sales office for so long as Declarant has the authority to appoint and remove Directors and Officers of the Association.
  - b. In no event during approved construction of any Structure shall more than one job identification sign be approved by the ACC.
- 6.08 Setbacks: In approving plans and specifications for any proposed Structure, the ACC may establish setback requirements for the location of such Structure. Guidelines for setbacks may be included in the Design Standards of the ACC. No Structure shall be erected or placed on any lot unless its location is consistent with such setbacks.
- 6.09 Fences: No fence or wall of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the ACC or plans and specifications for such fences and walls. Guidelines relating to the design, location and uses of fences and walls may be included in the Design Standards of the ACC.

- 6.10 Roads and Driveways: No road or driveway shall be constructed or altered on any Lot without the prior written approval of the ACC of plans and specifications for such roads and driveways. Guidelines relating to the design and location of roads and driveways may be included in the Design Standards of the ACC.
- 6.11 Clotheslines, Antennae, Etc.: No clotheslines or exterior television or radio antenna or satellite dish or receiver or solar or other equipment of any sort shall be placed, allowed or maintained upon any portion of a Structure or Lot without prior written approval by the ACC. No antennae shall be installed or used for the purpose of transmitting of electronic signals.
- 6.12 Garbage Cans and Woodpiles: All equipment, garbage cans and woodpiles shall be kept screened by adequate planting or fencing so as to conceal them from view by neighboring Residences and streets, and should be maintained in the rear yard of a Lot.
- 6.13 Maintenance: Each owner shall keep and maintain each Lot and Structure owned by him in a presentable appearance, as well as all landscaping located thereon, in good condition and repair, including, but not limited to (i) the repairing and painting (or other appropriate external care) of all Structures, (ii) the seeding, watering and mowing of all lawns, and (iii) the pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of a view by motorists or pedestrians of street traffic. All unimproved Lots shall be kept in a reasonably neat and clean condition. Notwithstanding the foregoing, the maintenance required hereunder shall also extend from the boundary of a Lot to the curbing of the right-of-way bordering said Lot. If in the opinion of the ACC, any owner shall fail to perform the duties imposed by this Section, the ACC shall notify the Association. If the Board shall agree with the determination of the ACC with respect to the failure of said Owner to perform the duties imposed by this Section, then the Board shall give written notice to the Owner to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the Owner fails to take reasonable steps to remedy the condition within thirty (30) days after the mailing of said written notice by certified mail, then the Association shall have the Right of Abatement as provided in Section 8.02 hereof. Guidelines relating to the maintenance of Lots, Structures and landscaping may be included in the Design Standards of the ACC. Each owner shall be responsible for maintaining the grading of the drainage ways to allow for proper drainage for which the drainage way was designed. Additionally, where a lot is adjoining a lake or body of water, the owner is responsible for maintenance down to the edge of the water line of the adjoining body of water. Each Owner is also responsible for the installation of grass on any lake banks and drainage ways adjoining their property.

- 6.14 Commercial and Recreational Vehicles and Trailers: No commercial vehicle (other than passenger vehicles having a capacity of less than nine (9) passengers), house trailer, mobile home, motor home, recreational vehicle, camper, truck with camper top, boat or boat trailer or like equipment shall be permitted on any Lot or within the right-of-way of any street in the Development on a permanent basis, but shall be allowed upon approval by the ACC on a temporary basis not to exceed forty-eight (48) consecutive hours.
- 6.15 Recreational Equipment: Recreational and playground equipment shall be placed or installed only upon the rear of a Lot as approved by the ACC. Basketball goals may be placed adjacent to the driveway, but not the roadways. No above ground pool shall be allowed. No motorized boats shall be allowed in lakes.
- 6.16 Animals: No agricultural animals may be kept on any Lot and no animals, including birds, insects, and reptiles, may be kept on any Lot unless kept thereon solely as household pets and not for commercial purposes. No animals shall be allowed to become a nuisance. No structure for the care, housing or confinement or any animal shall be constructed, placed or altered on any Lot unless plans and specifications for said Structure have been approved by the ACC.
- 6.17 Waste: No person shall dump rubbish, garbage, or any other form of solid waste on any Lot or on Common Property or within the right-of-way of any street in the Development.
- a. Except for building materials employed during the course of construction of any structure approved by the ACC, no lumber, metals, bulk materials or solid waste of any kind shall be kept, stored, or allowed to accumulate on any Lot unless screened or otherwise handled in a manner set forth in the Design Standards.
  - b. If rubbish, garbage, or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open on any day that a pick-up is to be made, in order to provide access to persons making such pick-up. At all other times such containers shall be screened or enclosed in a manner set forth in the Design Standards. Guidelines relating to the type of containers permitted, the manner of storage and the place of pick-up may also be included in the Design Standards.
- 6.18 Nuisances: No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereof which may be or may become an annoyance or nuisance to the community.

ARTICLE VII  
EASEMENTS, ZONING AND OTHER RESTRICTIONS

7.01 Easements:

a. Declarant hereby expressly reserves to the Declarant, its successors and assigns forever, the right to create perpetual easements in, on, over and under any part of the Property for any purpose which Declarant deems necessary, including, by way of example, and not limitation, the following:

(i) The installation, construction and maintenance of wires, lines and conduits in connection with the transmission of electricity, telephone, cable television cables and other utilities and similar facilities.

(ii) The installation, construction and maintenance of storm-water drains, land drains, public and private sewers, irrigation systems, pipelines for supplying gas and water, and for any other public or quasi-public facility, service or function;

(iii) Slope control purposes, including the right to grade and plant slopes and prevent the doing of any activity which might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow; and

(iv) The planting or replanting of hedges, shrubbery, bushes, trees, flowers and plants of any nature.

7.02 Easement Area: The words "Easement Area" as used herein shall mean those areas on any Lot or any other portion of the Property with respect to which easements are shown on a recorded deed, easement agreement or on any filed or recorded map or plat relating thereto.

7.03 Entry: The Declarant and its employees, agents, successors and assigns, shall have the right at all reasonable times to enter upon all parts of each Easement Area for any of the purposes for which such Easement Area is reserved, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and the carrying out of such purposes, provided the same are done in accordance with the provisions of this Section. The Declarant and its employees, agents, successors and assigns shall be responsible for leaving each Lot in good condition and repair following any work or activity undertaken in an Easement Area.

7.04 Easements for Encroachment and Overhang: There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shift in of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of

not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Property or between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant, or the Association.

- 7.05 Lake Easement: The Declarant hereby reserves for itself and the Association an easement of ingress and egress over and upon all Lots adjacent to lakes or waterways if any, for the purpose of providing necessary or desirable maintenance to such lake or waterways or to the land between the low water line and the property line of such Lot. The easement shall extend into each Lot for a uniform distance of twenty (20) feet from the then existing high water line and may be further shown upon final recorded plats. The easement and right herein reserved shall include the right to cut, remove and plant trees, bushes or shrubbery and other vegetation and the right to grade the land covered by the easement.
- 7.06 Zoning and Private Restrictions: None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, or by the laws, rules or regulations of any governmental body. In the event of any conflict between such laws, rules or regulations and the covenants, Restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern and control.

#### ARTICLE VIII ENFORCEMENT

- 8.01 Right of Enforcement: This Declaration and the restrictions contained herein shall inure to the benefit of and shall be enforceable by (i) the Declarant so long as it is an Owner, (ii) the Association, and (iii) each Owner, his heirs, devisees, legal representatives, successors and assigns.
- 8.02 Right of Abatement:
- a. Except where different notice provisions are provided, in the event of a violation or breach of any Restriction contained in this Declaration the Association shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of said written notice, then the Association shall have the Right of Abatement.
  - b. The Right of Abatement, as used in this section and other sections thereof, means the right of the Association, through its agents and



employees, to enter at all reasonable times upon any Lot or structure as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this section, and with the costs thereof including the costs of collection including reasonable attorney's fees, together with interest thereon at the lower of the highest rate permitted by law or eighteen (18%) percent to be a binding personal obligation of such Owner enforceable in law, as well as a lien on such Owner's Lot enforceable pursuant to the provisions of section 8.04 hereof. Such lien shall be superior to any and all charges, liens or encumbrances which may in any manner arise or be imposed upon the Lot after such entry whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, or other instrument, excepting only (i) such liens for taxes or other public charges as are by applicable law made superior, (ii) the liens created by Section 4.01 hereof, and (iii) all mortgages given to secure a loan the proceeds of which are used (1) to purchase a Lot or Lots together with any and all structures which may from time to time be placed or located thereon or (2) to finance the construction, repair, or alteration of any or all structures which may from time to time be placed or located thereon.

8.03 Specific Performance: Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the Association or any Owner to enforce the restrictions by appropriate judicial proceedings or to recover damages. However, it is hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferee, successors or assigns, by reason of a violation of, or failure to perform, any of the obligations provided by this Declaration and therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

8.04 Collection of Assessments and Enforcement of Lien:

a. If any assessment, interest, cost or other charge is not paid as required by this Declaration, the Association may bring either an action at law against the Owner personally obligated to pay the same, or an action to foreclose any lien created by Declaration against the Lot or Lots subject to the lien, or both, for the purpose of collecting such assessment, cost or charge, plus any interest thereon and costs of collection, including reasonable attorneys' fees.

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

- 8.05 No Waiver: The failure of the Declarant, the Association, or the Owner of any Lot, his or its respective heirs, legal representative, devisees, successors and assigns, to enforce any Restrictions herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

#### ARTICLE IX DURATION AND AMENDMENT

- 9.01 Duration: This Declaration and the Restrictions contained herein shall run with and bind the Property for a period of twenty (20) years from and after the date when this Declaration is filed for record with the Clerk of Court for Horry County, South Carolina, after which time this Declaration and Restrictions shall be automatically renewed for successive periods of ten (10) years provided, however, that after the end of the said twenty (20) year period and during any ten (10) year renewal period (but only during such renewal period), this Declaration and the Restrictions contained herein may be terminated by an instrument executed by the proper Association Officers and recorded in the Office of the Clerk of Court of Horry County, South Carolina, or in such other place of recording as may be appropriate at the time of the execution of such instrument, pursuant to a resolution approving such termination which is approved by a two-thirds (2/3) vote of those Class A Members of the Association who are present in person or by proxy, and voting at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association.
- 9.02 Amendments by Declarant: During any period in which Declarant retains the right to appoint and remove any Directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing, filed and recorded in the Deed Book of the Clerk of Court's Office for Horry County, South Carolina, without the approval of any Member or mortgagee, provided, however, that (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of such Owner's Lot or of the Common Property as set forth in

this Declaration or if such amendment adversely affects the title to any Lot, such amendment shall be valid only upon the written consent thereto by a majority in a number of the then existing Members affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security, title and interest of any mortgagee, such amendment shall be valid only upon the written consent thereto of all such mortgagees so affected. Any amendment made pursuant to this Section 9.02 shall be certified by Declarant as having been duly approved by Declarant, and such Members and mortgagees, if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section 9.02 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to this Development (I) if such amendment is necessary to bring any provision hereof or thereof into compliance with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration, (iii) if such amendment is required by an institutional or governmental lender, purchaser or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make (iv) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration, or (v) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration.

9.03 Amendment by Association: Amendments to this Declaration, other than those authorized by Section 9.02 hereof, shall be proposed and adopted in the following manner:

- a. Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each Member of the Association.
- b. At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board or by Members of the Association. Such amendment must be approved by Members holding at least two-thirds (2/3) of the total votes in the Association; provided, however, (i) that any amendment which materially and adversely affects the security, title and interest of any mortgagee must be approved by such mortgagee, and (ii) during any period in which Declarant has the right to appoint and remove officers and Directors of the Association, such amendment must be approved by Declarant.

- c. The agreement of the required percentage of the Owners and, where required, the Declarant and any mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, and provided that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice President or the Secretary of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

ARTICLE X  
ANNEXATION AND CONSTRUCTION AND SALE PERIOD

- 10.01 Annexation: For so long as Declarant has authority to appoint and remove Directors and officers of the Association, additional real property may be annexed to the Property by the Declarant without the consent of the Class A Members. Such annexation shall be accomplished by filing in the Office of the Clerk of Court of Horry County an approved subdivision plat describing the real property to be annexed to the Property and by including on such subdivision plat a statement that expressly sets forth the Declarant's intention to make such annexed real property subject to the provisions of this Declaration; or by filing an amendment to the Declaration which has been consented to by the owners of the real property to be annexed if any portion of such real property is owned by someone other than Declarant. At the expiration of Declarant's right to appoint and remove Directors and Officers of the Association, no real property may be annexed to the property unless such annexation is approved by a two-thirds (2/3) vote of the Members of the Association who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association.
- 10.02 Construction and Sale Period: Notwithstanding any provisions contained in this Declaration, the By-Laws, Articles of Incorporation, use restrictions, rules and regulations, design guidelines, and any amendments thereto, until Declarant's right unilaterally to subject property to this Declaration as provided and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction, and sales activities related to property subject to this Declaration, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Development; the right to tie into any portion of the Development with driveways, parking areas and

walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Development; the right to carry on sales and promotional activities in the development; and the right to construct and operate business offices, signs, construction trailers, material storage areas, model residences, off-street parking areas, and sales offices. Declarant and any such builder or developer may use residences or offices owned or leased by Declarant or such builder or developer as model residences and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property reasonable steps shall be taken to protect such property, and damage shall be repaired by the person causing any damage at its sole expense.

#### ARTICLE XI MISCELLANEOUS

- 11.01 No Reverter: No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.
- 11.02 Severability: A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.
- 11.03 Headings: The headings of the Articles and sections hereof are for convenience only and shall not affect the meaning or interpretation of the Contents of this Declaration.
- 11.04 Gender: Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.
- 11.05 Notices: All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures or contents of any kind made pursuant to this Declaration, whether made by the Declarant, the Association, the ACC, the Owner, or any other person, shall be in writing. All such writings shall have sufficient postage, and sent to the following addresses:

Declarant: P.O. Box 14176  
Surfside Beach, SC 29587

Owners: Each Owner's address as

Registered with the Association  
In accordance with the By-Laws

The Declarant reserves the right to change its address from time to time by filing an amendment to this Declaration specifying its new address in the Deed Records of Horry County, South Carolina.

Any written communication transmitted in accordance with this Section 11.05 shall be deemed received on the third (3<sup>rd</sup>) day following the day such written notice is deposited in the United States Mail.

11.06 No Liability: Declarant has, using best efforts and all due diligence, prepared and recorded this Declaration so that each and every Owner shall have the right and the power to enforce the terms and provisions of this Declaration against every other Owner. However, in the event that this Declaration or any provision herein is, for any reason whatsoever, unenforceable by an Owner (or any other person) in a court of law or otherwise, Declarant shall have no liability of any kind as a result of such unenforceability, and each and every Owner, by acceptance of a deed conveying a Lot, acknowledges that Declarant shall have no such liability. In addition, neither the Declarant nor the Association shall have any liability of any kind as a result of the failure to enforce any provision contained in this Declaration.

11.07 Insurance:

- a. At all times during the terms of this Declaration, the Association, its successors and assigns, shall be required to keep any and all recreational facilities and any other improvements located on the Common Property fully insured by a reputable insurance company authorized to transact business in the State of South Carolina with (i) fire, vandalism, malicious mischief and extended coverage insurance in an amount adequate to cover the cost or replacement of such improvements in the event of loss of any and/or all of such improvements, fixtures and contents thereof, and (ii) public liability insurance in such amounts as shall be determined by the Board of Directors as appropriate for the type of recreational activities which shall be allowed on the Common Property. Any such policies of insurance shall require that the certificate holders and insured be given thirty (30) days prior written notice of any cancellation of such policies.
- b. Immediately after the damage or destruction by fire or other casualty to all or any improvement covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair

or reconstruction, as used in this section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty.

Any damage or destruction shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five percent (75%) of the total Association vote entitled to vote thereon, and, so long as the Declarant has the right to appoint and remove Directors, the Declarant, otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed one hundred and twenty (120) days. No mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof the Board shall without the necessity of a vote of the Association's Members, levy a special assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited for the benefit of the Association.

In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then in that event the property shall be restored to its natural state and maintained as an underdeveloped portion of the community in a neat and attractive condition until the Association establishes another use for said property.

c. The deductible for any casualty insurance policy carried by the Association shall, in the event of damage or destruction, be allocated among the persona who are responsible hereunder for maintenance of the damaged or destroyed property.

11.08 Variiances: Notwithstanding anything to the contrary contained herein, the Declarant or the Board of Directors of the Association or the designee of either of them shall be authorized to grant individual variances from any of the provision of this Declaration, the By-Laws and any rule, regulation or use restriction promulgated pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Development.

ARTICLE XII  
MORTGAGE PROVISIONS

The following provisions are for the benefit of holders of first mortgages of Residences or Lots in the Development. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

12.01 Notices of Action: An institutional holder, insurer, or guarantor of a first mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, guarantor, and the Residence number therefore becoming an eligible holder), will be entitled to timely written notice of:

- a. Any condemnation loss or any casualty loss which affects a material portion of the Development or which affects any Residence or Lot of which there is a first mortgage held, insured, or guaranteed by such eligible holder;
- b. Any delinquency in the payment of assessments or charges owed by an Owner of a Residence or Lot subject to the mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days, provided, however, notwithstanding this provision, any holder of a first mortgage, upon request, is entitled to a written notice from the Association of any default in the performance by an Owner of a Residence or Lot of any obligation or By-Law of the Association which is not cured within sixty (60) days;
- c. Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; and
- d. Any proposed action which would require the consent of a specified percentage of eligible mortgagees.

12.02 Special FHLMC Provision: So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first mortgagees or at least two-thirds (2/3) of the total Members of the Association entitled to vote thereon consent, the Association shall not:

- a. By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Property which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Property shall not be deemed a transfer within the meaning of this subsection);



- b. change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a residence or Lot;
- c. By act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and Residences and of the Common Property (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this subsection);
- d. Fail to maintain insurance, as required by this Declaration; or
- e. Use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

First mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

- 12.03 No Priority: No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first mortgagee of any Residence or Lot in the cases of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.
- 12.04 Notice to Association: Upon request, each owner shall be obligated to furnish to the Association the name and address of the holder of any mortgage encumbering such Owner's Residence or Lot.
- 12.05 Amendment by Board: Should the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.
- 12.06 Applicability of Article XII: Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or South Carolina law for any of the acts set out in this Article.

