

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GEORGETOWN ) **DECLARATION OF COVENANTS,  
CONDITIONS, AND RESTRICTIONS  
FOR REUNION HALL**

**THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR REUNION HALL** (the "Declaration") is made this 6 day of February, 2004 by The Litchfield Company of South Carolina Limited Partnership (hereinafter referred to as "Declarant").

**INTRODUCTION:**

The Declarant is the owner of certain property (the "Property") in Georgetown County, South Carolina, more particularly described in Exhibit A attached hereto and incorporated herein by reference.

The Declarant desires to create on such Property a planned development community composed of residential and recreational uses to be known as "Reunion Hall".

The Declaration has caused to be incorporated under the laws of the state of South Carolina a non-profit, non-stock corporation known as the Reunion Hall Property Owners' Association, Inc. (the "Association") for the purpose of exercising the functions aforesaid and which are hereinafter more fully set forth.

Declarant intends by this Declaration to impose restrictions under a general plan of improvement for the benefit of all owners of real property within the Property and to establish a method for the administration, maintenance, preservation, use and enjoyment of the Property.

KNOW ALL MEN BY THESE PRESENTS that the Declarant hereby declares that the property described in Article II and such additions thereto as may hereinafter be made pursuant to Article II hereof is and shall be held, mortgaged, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, changes, assessments, affirmative obligations and liens hereinafter sometimes referred to as the "Covenants" hereinafter set forth which are hereby imposed for the purpose of protecting the value and desirability of Reunion Hall, which covenants and restrictions shall touch and concern and run with the title to the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in said Property or any portion of it. This Declaration also binds the respective heirs, devisees, fiduciary representatives, successors, successors in title and/or assigns and shall inure to the benefit of anyone or anything that shall/which purchases or takes any interest in real property within the lands subject to this Declaration.

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## ARTICLE I DEFINITIONS

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

**"Architectural Review Board"** shall mean and refer to that board formed and operated in the manner prescribed in Article VII hereof.

**"Assessment"** shall mean and refer to the charges levied pursuant to Article V. "Annual Assessment" shall mean and refer to the annual charges levied by the Board of Directors of the Association for the purposes set forth in Section 2 of Article V. "Special Assessment" shall mean and refer to the charges levied for the purposes set forth in Section 4 of Article V. "Neighborhood Assessment" shall mean and refer to the charges levied pursuant to Section 5 of Article V.

**"Association"** shall mean and refer to the Reunion Hall Property Owners Association, its successors and assigns.

**"Board of Directors"** shall mean and refer to the Board of Directors of the Association that is the governing body of the Association.

**"Bylaws"** shall mean and refer to those Bylaws of the Association which govern the administration and operation of the Association attached hereto as Exhibit B and made a part hereof by reference, as may be amended from time to time.

**"Common Property"** shall mean and refer to those tracts of land with any improvements and easements thereon which are actually deeded, granted or leased to the Association and designated in such deed or lease as "Common Property". The term "Common Property" shall also include any personal property acquired by the Association if said property is designated a "Common Property". All Common Property is to be devoted to and intended for the common use of and enjoyment of the Owners, family members and guests of Owners and guests of the Association or the Declarant subject to the operating rules adopted by the Association, provided, however, that any lands which are leased by the Association for use as Common Property shall lose its character as Common Property upon the expiration of such lease. The Declarant reserves the right to convey "Common Property" within Reunion Hall to the Association. Such conveyance shall be made subject to such covenants and restrictions as are then applicable thereto and shall contain such additional restrictions, reservations, liens and encumbrances as may be set forth in the deed of conveyance. The Declarant may add or substitute mortgages, provided the Association does not have to assume any payments or obligations of any mortgage on the "Common Property" conveyed to it. As an appurtenance to such conveyances, the Association shall have all of the powers, immunities and privileges reserved unto the Declaration as all of the Declarant's obligations with respect thereto, including the obligation to maintain and enhance.

**"Declarant"** shall mean and refer to The Litchfield Company of South Carolina Limited Partnership, its successors and assigns.

**"Declaration"** shall mean this Declaration and all supplements and amendments to this Declaration as filed in the Register of Deeds ("ROD") Office for Georgetown County.

**"Development Unit Parcels"** shall mean and refer to those parcels or tracts of land conveyed by the Declarant to third parties under covenants and restrictions permitting the division of such parcel or tract into smaller land units such as Lots or Multi-Family Tracts.

**"Dwelling Unit"** shall mean and refer to that portion of any improved property intended for use, or being used, as a single family dwelling, including without limitation any single family detached dwelling unit or attached dwelling unit, such as a condominium unit, townhouse unit, cooperative apartment or apartment unit.

**"Improved Property"** shall mean and refer to a parcel delineated on a permanently recorded map on which is located a building as to which government approvals for use and occupancy have been obtained or, if no such governmental approvals are required, which has been substantially completed.

**"Lot"** shall mean any subdivided but unimproved parcel of land located within the Property which is intended for use as a site for a single family detached dwelling, townhouse or patio dwelling (zero lot line) as shown upon any recorded final subdivision map of any part of the Property. A parcel of land shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to allow occupancy.

**"Master Plan"** shall mean and refer to the drawing that represents the conceptual land use plan for the future development of Reunion Hall. Since the concept of future development of Reunion Hall is subject to continuing revision and change by the Declarant, present and future references to the "master plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants shall arise with respect to lands, which have been retained by the Declarant for future development. THIS DECLARATION DOES NOT DESIGNATE ANY PORTION OF THE PROPERTY FOR ANY PARTICULAR USE, SUCH DESIGNATION TO BE MADE BY SEPARATE SUBSEQUENT DECLARATION OR BY RECORDED PLAT WITH SUCH DESIGNATION CLEARLY AND UNEQUIVOCALLY SHOWN THEREON. THE DECLARANT SHALL NOT BE BOUND BY ANY DEVELOPMENT PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN.

**"Member"** shall mean and refer to the Declarant and all those Owners who are members of the Association as defined in Article III, Section 1.

**"Multi-Family Tract"** shall mean any unimproved parcel of land located within the Property intended for development of multi-family residential units including without limitation condominium regimes or apartments. For purposes of this Declaration, a parcel of land shall not

be deemed a "Multi-Family Tract" until such time as its exact metes and bounds have been surveyed and a plat thereof identifying or designating such property for multi-family use is placed of record and further, shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved properties.

**"Neighborhood Area"** shall mean and refer to a parcel or tract of land which is intended for and has been subdivided for use as a site for lots or dwelling units on a recorded subdivision plat in the office of the Register of Deeds for Georgetown County, South Carolina. The Neighborhood Area shall be comprised of the total number of lots and dwelling units within such subdivision or group of such subdivisions and maybe subjected to Neighborhood Assessments applicable only to the owners within that immediate neighborhood area of Reunion Hall, to undertake special neighborhood projects, improvements, construction or maintenance for the benefit of those Owners. A separate non-profit association maybe created hereunder for each Neighborhood Area.

**"Of Record"** shall mean recorded in the ROD Office for Georgetown County.

**"Owner"** shall mean and refer to the record owner (including the Declarant) as shown by the real estate records, whether it be one or more persons, firms, associations, or other legal entities holding the fee simple title to any Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel or Unsubdivided Land situated within the Properties but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee or holder of a security deed, its successors or assigns, unless and until such mortgagee or holder of a security deed has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

**"Penalty"** shall mean and refer to the charges levied by the Board of the Association for the purposes set forth in Section 4 of Article IX.

**"Property"** shall mean and refer to all property which is subject to this Declaration as described in Article II hereof and any additions thereto as are subjected to this Declaration or any supplemental Declaration under the provisions of Article II hereof.

**"Subordinate Association"** shall mean an incorporated or unincorporated association of Owners of Lots or Dwelling Units created or incorporated in a Subordinate Declaration to provide for the orderly control, administration, maintenance, and management of common property and governance of such property.

**"Subordinate Declaration"** shall mean and refer to the instrument or document, and any amendments thereto, which is filed Of Record with respect to one or more Lots, or Dwelling Units and which creates an unincorporated property owners association or incorporates therein an incorporated property owners association for such Lots or Dwelling Units and which may impose covenants, conditions, easements, and restrictions with respect to such property made subject to such writing.

**"Unsubdivided Land"** shall mean and refer to all land and existing Property described in Article II hereto and additions thereto as are subjected to this Declaration or any supplemental Declaration under the provisions of Article II hereto which has not been subdivided into Lots or Multi-Family Tracts, or Development Unit Parcels through metes and bounds plats filed for record in the ROD Office for Georgetown County expressly declaring or labeling such portions of the Property for development as such uses. For purposes of this Declaration, the following classifications of Property shall not be deemed "Unsubdivided Land" and shall be expressly excepted from the definition thereof:

- (1) All lands below the mean highwater mark of tidal waters;
- (2) All lands expressly designated in any way as a Common Property.
- (3) Marsh, wetland, swamp and upland freshwater conservancies and lands designated as "conservation/preservation" or set forth as any wetland on any recorded plat of the Property or as shown on the Master Plan.

## **ARTICLE II PROPERTY**

**Section 1. Existing Property.** The real property (the "Property") which is and shall be held, transferred, sold, conveyed, leased and occupied subject to these Covenants is known as Reunion Hall, Georgetown County, South Carolina and is more particularly described on Exhibit A attached hereto and by reference incorporated herein.

**Section 2. Additional Properties.** Additional Properties may become subject to this Declaration in the following manner:

- (a) **Additions.** The Declarant, its successors and assigns, shall have the right without further consent of the Association at any time prior to January 1, 2050 to bring within the plan and operation of this Declaration any properties adjacent and contiguous or nearly contiguous to the Property, whether or not said parcels are owned by the Declarant or a third party, provided, however, the Declarant shall have no rights to subject any additional properties owned by a third party without the consent of said third party owner. Such property may be subjected to this Declaration as one parcel or as several parcels at different times. The additions authorized under this subsection shall be made by filing a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of this Declaration to such additional property. Any property located within one (1) mile of a boundary line of the Property shall be considered "nearly contiguous."

Any supplementary Declaration may contain such complimentary additions and/or modifications of the covenants and restrictions contained in this Declaration as

may be necessary or convenient in the sole judgment of the Declarant to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration, but such modification shall have no effect on the Property described in Section 1 of this Article II.

- (b) **Merger or Consolidation.** Upon a merger or consolidation of the Association with another Association, as provided for in the ByLaws of the Association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated Association, or in the alternative the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association may administer the covenants established by this Declaration within the properties as herein provided.
- (c) **Other Additions.** Upon approval in writing by the Master Association pursuant to simple majority vote at a duly called meeting of the members. The owner of any property who desires to add it to the plan of these covenants and to subject it to the jurisdiction of the Association may file Of Record a Supplemental Declaration with respect to the property to be added, which shall extend the operation and effect of the covenants and restrictions of the Declaration to such property, thereafter constituting a part of the Property. Any such writing shall bear the signature of the President or Vice-President of the Association to signify the Association's consent to such addition.
- (d) **Withdrawal of Property.** The Declarant reserves the right to amend this Declaration without further consent of the Association at any time prior to January 1, 2050 for the purpose of removing the Property from the coverage of this Declaration, provided such withdrawal is not contrary to the overall, uniform scheme of development for the Property.

### **ARTICLE III THE ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS**

**Section 1. The Association.** The Declarant has established or will establish the Association for the purpose of exercising powers of maintaining, and improving and administering the Common Property and providing common services, administering and enforcing covenants, conditions and restrictions contained herein and levying, collecting and disbursing assessments and charges herein created. Further, the Declarant reserves the right to convey to the Association and the Association agrees to accept any and all of its rights and obligations set forth herein.

**Section 2. Membership.** Every Owner shall be a member of the Association. The Declarant shall be a member of the Association.

**Section 3. Voting Rights.** The Association shall have four classes of regular voting membership and one type of special voting membership which provides the Declarant with additional voting rights.

**Class A:** Class A Members shall be all Owners (including the Declarant). A Class A Member shall be entitled to one vote for each Lot or Dwelling Unit which he owns. If a Dwelling Unit is constructed on more than one Lot, the Owner shall have one vote for the Dwelling Unit and one additional vote for each other Lot comprising a part of the total consolidated home or building site.

**Class B:** Class B Members shall be all those Owners (including the Declarant) of platted Multi-Family Tracts. A Class B Member shall be entitled to one vote for each \$100.00 in Annual Assessments paid to the Association. In computing the number of votes to which a Class B Member shall be entitled, the amount of the assessment paid shall be rounded to the nearest \$1.00.

**Class C:** Class C Members shall include all those Owners (including the Declarant) of Unsubdivided Lands and Development Unit Parcels. A Class C Member shall be entitled to one vote for each \$100.00 in Annual Assessments paid to the Association. In computing the number of votes to which a Class C Member shall be entitled, the amount of the assessment paid shall be rounded to the nearest \$1.00.

**Class D:** A Class D Member shall be the Declarant, its successors and assigns. The Class D Member shall have special voting rights in the Association by which it shall be entitled to the same number of votes as are cumulatively held by the regular Members, plus one. Said Class D voting rights shall terminate on the happening of either of the following events, whichever occurs later: (i) the date it has conveyed at least 90% of the maximum number of Lots and Dwelling Units in the Property (as now constituted or added as set forth in Article II); or (ii) January 1, 2050. Notwithstanding the above, the Declarant reserves the right to terminate its Class D membership at its sole election at an earlier date.

Each Member shall be entitled to vote at any meeting of Members or on any matter requiring a vote of Members, occurring subsequent to the date upon which the Member became an Owner (provided, however, that the Member is not delinquent in the payment of assessments) and each Member shall be entitled to the number of votes as calculated above as if each Member had been a Member for a full year and paid the Annual Assessment for the year in which the vote takes place. The payment of any Special Assessment shall not entitle Members to additional votes.

When any property entitling the Owner thereof to membership in the Association is owned Of Record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, one person or entity shall be designated the voting Member to bind all the others. Written evidence of such designation in a form satisfactory to the Board of Directors of the Association shall be delivered to the Board prior to the exercise of a vote by joint owners.

**Section 4. Governance.** The Association shall be governed by a Board of Directors consisting of not less than three Members. Initially, the Board shall consist of three Members, with the number in subsequent years to be determined by the Members of the Board of Directors as provided in the Bylaws of the Association.

**Section 5. Management.** The Board of Directors may retain a professional management company, professional manager, or full-time employee to manage the Common Property and the operation of the administrative affairs of the Association. The Board of Directors may itself subsequently elect to assume those management responsibilities and in accordance with the terms of any management contract terminate the contract of any professional manager.

#### **ARTICLE IV PROPERTY RIGHTS IN THE COMMON PROPERTY**

**Section 1. Members' Easements of Enjoyment in Common Property.** Subject to the provisions of this Declaration, the rules and regulations of the Association and any fees or charges established by the Association, every Member and every guest, invitee, licensee and lessee of such Member shall have an easement of enjoyment in and to the Common Property and such easements shall be appurtenant to and shall pass with the title of every Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel or Unsubdivided Land. Employees and guests of the Declarant shall have access to and enjoyment of the Common Property subject to rules and regulations established by the Board of Directors.

**Section 2. Title to Common Property.** The Declarant covenants for itself, its successors and assigns, that at its sole election it shall convey by limited warranty deed to the Association at no cost to the Association, the Common Property, including but not limited to any and all roadways and other Common Property as designated on the current Master Plan, subject to all restrictions and limitations of record and all reservations and limitations set forth in such deed of conveyance and subject to the right of the Declarant to add Common Property to the Master Plan or to subtract Common Property from the Master Plan in its sole discretion at any time prior to conveyance to the Association. It is intended that the Declarant shall evidence its election to convey any designated property by the recording of an instrument describing the Property to be conveyed. After the functional completion of such designated Property, the Association shall immediately become responsible for all maintenance, operation and such additional construction of improvements as may be authorized by the Board of Directors subject to this Declaration. It is intended that such conveyances will be made within two years after the improvements are functionally complete and in no event not later than January 1, 2050. Common Property shall be conveyed to the Association subject to:

- (1) All encumbrances, easements and restrictive covenants affecting such property at the time of conveyance, including all existing mortgages; and
- (2) A reservation by the Declarant, its successors and assigns, of the right to substitute or add new mortgages thereon, provided, however, that in no event



shall the Association be obligated to assume the payment of principal or interest on any such mortgages. The obligation to make payments of principal and interest in accordance with their due dates on all mortgages affecting property conveyed to the Association shall continue to be the sole obligation of the Declarant, its successors and assigns, as the case may be.

**Section 3. Extent of Members' Easements.** The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The right of the Declarant and the Association, to dedicate, transfer or convey all or any part of the Common Property with or without consideration to any successor Association, private concern, governmental body, district, agency or authority or to any utility company, provided that no such dedication, transfer or conveyance shall adversely affect the use of the Common Property by the Owners;
- (b) The right of the Declarant and the Association to grant, reserve and accept easements and rights-of-way through, under, over and across the Common Property for the installation, maintenance and inspection of lines and appurtenances or public or private water, sewer, drainage, electric, fuel, oil and other utilities and services including a cable or community antennae television system, and irrigation or lawn sprinkler systems and the right of the Declarant to grant and reserve easements and rights-of-way through, over and upon and across the Common Property and for the operation and maintenance of the Common Property;
- (c) The right of the Association, in accordance with its Bylaws, to place mortgages or other encumbrances on the Common Property as security for borrowing by the Association;
- (d) The right of the Association, in accordance with its Bylaws, to take such steps as are reasonably necessary to protect the Common Property against foreclosures;
- (e) The right of the Association to adopt and publish rules and regulations governing the use of Common Property and the conduct of Members, their lessees or guests, and to establish penalties for the infraction of such rules and regulations.
- (f) The right of the Association, in accordance with its Bylaws, to place any reasonable restrictions upon the use of the Association's roads, subject to an Owner's or lessee's right of ingress and egress, including, but not limited to, the types and sizes of vehicles permitted to use said roads, maximum and minimum speeds of vehicles using said roads, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads. The fact that such restrictions on the use of roads shall be more restricted than the laws of any state or local government having jurisdiction over the Property shall not make

such restriction unreasonable.

- (g) The right of the Association, as provided in the Bylaws, to suspend the rights and easements of enjoyment of any Member or any tenant or guest of any Member, for any period during which the payment of any assessment against the Property owned by such Member remains delinquent and for any period not to exceed sixty days, for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment or any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver of discharge of the Member's obligations to pay such assessment, and provided that the Association shall not suspend the right to use any roads belonging to the Association although such use shall be subject to the rules and regulations established by the Association for such use.

**Section 4. Declarant's Reserved Rights.** Notwithstanding any provisions herein to the contrary, the rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The Declarant, its successors and assigns, shall have an alienable and transferrable right and easement on, over, through, under and across the Common Property for the purpose of the storage of materials, vehicles, tools, equipment which are being utilized in any construction work on or within the Property and for installing, maintaining, repairing and replacing such other improvements to the Property (including portions of the Common Property) as are contemplated by this Declaration or as the Declarant desires in its sole discretion, including without limitation, any improvements or changes permitted and described in this Declaration; and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided that in no event shall the Declarant have the obligation to do any of the foregoing.
- (b) The Declarant expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of the Common Property and any property owned by the Declarant, including the realignment of boundaries between Lots, Multi-Family Tracts, Development Unit Parcels or Unsubdivided Land and Common Property.
- (c) ~~The~~ The Declarant reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the Common Property to erect, maintain and use poles, wires, cables, conduit, sewers, water mains, drainage ways, sprinkler or landscape irrigation systems, pumping stations, tanks and other suitable equipment for the conveyance and use of electricity, telephone equipment, cable television, water, sewage, irrigation uses of Declarant and other utilities. This easement and right especially includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and

appearance.

- (d) An easement is hereby reserved for the benefit of the Declarant, their respective successors and assigns, to enter upon, across, over, in and under any portion of the Common Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels so as to improve the drainage of water. In no event shall the Declarant have the obligation to do any of the foregoing.
- (e) There is hereby reserved for the benefit of the Declarant, their successors and assigns, an alienable, transferrable and perpetual right and easement on, over and across the Common Property for the purpose of taking any action necessary to effect compliance with environmental rules, regulations and procedures from time to time promulgated by the Association or by any governmental entity.

## **ARTICLE V COVENANTS FOR ASSESSMENTS**

**Section 1. Creation of the Lien and Personal Obligations for Assessments.** The Declarant covenants and each Owner of any Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel, or Unsubdivided Land, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay the Association: (1) Annual Assessments or charges; and (2) Special Assessments or charges for the purposes set forth in this Article, both such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Assessments, together with such interest thereon and cost of collection therefor as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall also be the personal obligation of the person or entity which was the owner of such real property at the time when the assessment first became due and payable. In the case of co-ownership of a Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel and Unsubdivided Land, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

**Section 2. Purpose of Assessment.** The Annual Assessment levied by the Association shall be used exclusively for the improvement, maintenance, enhancement, enlargement, and operation of the Common Property and to provide services which the Association is required or authorized to provide. In carrying out these duties, the Association may make payment of taxes and insurance thereon, make improvements on Common Property, pay the cost of labor, equipment, materials, management, supervision, accounting, attorney's fees, maintain offices and equipment, repay any loans made to the Association, and take such other action as is necessary to carry out its required or authorized functions.

**Section 3. Application of "Maximum" Assessment.** The Annual Assessments, as set forth in the schedule hereinbelow, and as is annually increased pursuant to the provisions of paragraphs (g) and (h) below, shall be levied by the Association. If, however, the Board of

Directors of the Association, by majority vote determines that the important and essential functions of the Association may be properly funded by Annual Assessments less than those set out below, it may levy such lesser assessments. However, so long as the Declarant is engaged in the development of properties which are subject to the terms of this Declaration, the Association may not reduce Annual Assessments below those set out in Paragraph (a) of this Section 3 without the prior written consent of the Declarant. The levy of Annual Assessments less than the Maximum Regular Annual Assessments in one year shall not effect the Board of Director's right to levy the Maximum Regular Annual Assessments in subsequent years. If the Board of Directors shall levy less than the Maximum Regular Annual Assessments for any assessment year and if thereafter, during such assessment year, the Board of Directors shall determine that the important and essential functions of the Association cannot be funded by such lesser assessments, the Board may, by majority vote, levy supplemental assessments. In no event shall the sum of the initial and supplemental assessments for that year exceed the applicable Maximum Regular Annual Assessments.

- (a) The Maximum Regular Annual Assessment shall be the sums determined by the Board of Directors, but shall not exceed the sums set forth in the following schedule as adjusted annually pursuant to Section 3 (g) of this Article and subject to those rights set forth in Section 3(h) of this Article.

<u>Property Type</u>	<u>Maximum Regular Annual Assessment</u>
(1) Residential Lots and Dwelling Units	\$1,500.00 per year
(2) Multi-Family Tracts, Development Unit Parcels	\$100.00 per acre
(3) Unsubdivided Property (regardless of nature)	\$60.00 per acre

- (b) Property shall not be classified as a Lot or Dwelling Unit for purposes of this Declaration and of the Maximum Regular Annual Assessment until after all of the following have occurred:

- (1) Placing Of Record a plat or other plan showing such Lot or Dwelling Unit;
- (2) All approvals required for the occupancy or use of a Dwelling Unit if constructed on a Multi-Family Tract.

After classification, the obligation for the payment of the Annual Assessment shall commence on the first day of the following month.

- (c) After the calendar year 2004, the Annual Assessments on Multi-Family Tracts, Development Unit Parcels and Unsubdivided Property shall be billed annually on the first day of January of each year. Assessments on all other property shall be billed on a monthly or quarterly basis as determined by the Board of Directors. All assessment bills shall be due and payable thirty (30) days from the date of mailing the same.
- (d) The Owner of any assessable property which changes from one assessment category to a higher assessment category during an assessment year shall be billed an additional amount for the remaining full months of such year after such change.
- (e) All assessments charged by the Association shall be rounded to the nearest dollar.
- (f) From and after January 1, 2005 the Maximum Regular Annual Assessment may be increased each year by the Board of Directors of the Association by an amount not in excess of ten (10%) per cent per year, or the percentage increase between the first month and the last month on an Annual Assessment period in the Consumer Price Index, U. S. City Average, All Items (1982-84=100) (hereafter "C.P.I." issued by the U. S. Bureau of Labor Statistics in its monthly report entitled "The Consumer Price Index, U.S. City Average and Selected Areas" whichever of these two percentage figures is larger. In the event the C.P.I. referred to above shall be discontinued, there shall be used the most similar index published by the U. S. Government that may be procured indicating changes in the cost of living.

In the event the Board of Directors does not increase the Maximum Regular Annual Assessment or levies an Annual Assessment of less than the Maximum Regular Annual Assessment in a given year, or increases it in an amount less than which is authorized by this Section 3, Paragraph (g), the Board shall be deemed to have reserved the right and shall be authorized in subsequent years to implement that reserved portion of the authorized but unexercised increased authority. As an illustration, if the Board was authorized to increase the Maximum Regular Annual Assessment by ten (10%) percent in years 2005 and 2006, but chose not to impose such increases, it could increase the Maximum Regular Annual Assessment in 2006 by the amount applicable for 2006 plus up to twenty (20%) percent.

- (g) Any increase or decrease in the fixed amount of the Maximum Regular Annual Assessments shall be made in such a manner that the proportionate increase or decrease in such Maximum Regular Annual Assessment is the same for Owners of Lots, Dwelling Units, Multi-Family Tracts, Development Unit Parcels, and Unsubdivided Land. Furthermore, any time the actual assessment levied by the Board of Directors of the Association is less than the Maximum Regular Annual

Assessment, such decrease shall be proportionate among the Owners of Lots, Dwelling Units, Multi-Family Tracts, Development Unit Parcels and Unsubdivided Land.

**Section 4. Special Assessments for Capital Improvements, Emergencies and Insurance.** In addition to the Annual Assessments authorized by above, the Association may levy in any assessment year, Special Assessment(s) applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Common Property; for additions to the Common Property; to provide for the necessary facilities and equipment to perform services authorized herein; to pay any loan made to the Association to enable it to perform the duties and functions authorized herein; for the purpose of defraying, in whole or in part, the cost of any emergency repairs, restorations, maintenance or improvements made necessary by emergencies; and for the purpose of defraying, in whole or in part, the cost of any increases in insurance premiums applicable to that year only. The amount of such Special Assessment(s) shall be fixed by a vote of a majority of the Board of Directors.

**Section 5. Neighborhood Assessments** In addition to the Annual Assessment and the Special Assessment authorized in Sections 3 & 4 of this Article, when any area or portion of Reunion Hall has been designated as a Neighborhood Area for the benefit of Owners of property within the area so designated, the Board of Directors of the Association is hereby empowered to levy assessments to be used for the benefit and/or operation of the particular Neighborhood Area of Reunion Hall, the payment of which assessment shall be born by the Owners within such area only; such assessment being herein referred to as a "Neighborhood Assessment". A Neighborhood Assessment can be levied by the Board of the Association after a determination that the Common Areas within the Neighborhood Area are in need of maintenance, enhancement, enlargement, additions and /or other improvements that would benefit the Neighborhood Area and not the Property as a whole, or when 51% of the Owners within a particular Neighborhood Area with the approval of the Association vote to levy a Neighborhood Assessment. In cases where such determination is made by the Board of Directors, the levy of the applicable Neighborhood Assessment by the Board of Directors of the Association shall be final and not subject to approval by the whole body of members of the Association or by those members who would be subject to the Neighborhood Assessment.

**Section 6. Reserve Funds:** The Association may establish reserve funds from its Annual Assessments to be held in reserve in an interest drawing account or investments as a reserve for (a) major rehabilitation or major repairs; (b) for emergency and other repairs as a result of storm, fire, natural disaster or other casualty loss; (c) reoccurring periodic maintenance; (d) initial cost of any new service to be performed by the Association.

**Section 7. Declarant Obligation for Assessment Subsidy.** Notwithstanding anything contained in this Declaration to the contrary, so long as Declarant owns any Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel or Unsubdivided Property for sale or any other portion of the Property, the Declarant may annually elect either to pay the regular Annual Assessment for each of such properties owned by it or to pay the difference between the amount

of the Annual Assessments collected on all other properties within the Property not owned by the Declarant and the amount of actual expenditures by the Association during the fiscal year, but not in a sum greater than its regular Annual Assessment. Unless the Declarant otherwise notifies the Board of Directors in writing at least sixty (60) days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding year.

**Section 8. Date of Commencement of Annual Assessments; Due Dates.** Annual Assessments provided for herein shall commence on the date (which shall be the first day in a month) fixed by the Board of Directors of the Association to be the date of commencements. The first Annual Assessment shall be adjusted according to the number of months remaining the calendar year. The Board of Directors of the Association shall fix the amount of the Annual Assessment against each Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel or Unsubdivided Land at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. All assessment bills shall be due and payable thirty (30) days from the date of mailing the same unless otherwise established by the Board of Directors. The Association shall, upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel or Unsubdivided Land have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

**Section 9. Effect of Non-Payment of Assessments.** If the assessment is not paid on or before the due date specified in Section 8 hereof, then such assessment shall become delinquent and shall (together with interest thereon at the rate of three and one-half (3½%) percent per month from the due date and all costs of collection thereof including a reasonable attorney's fee) become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made, at the hands of the then Owner, his heirs, devisees, personal representatives, tenants and assigns.

If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in like manner as a mortgage of real property or both. Upon the exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of the Annual Assessment due and payable and collect the same through foreclosure. In either event all costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. In the event a judgment is obtained such judgment shall include interest on the assessment at the rate of eighteen (18%) percent per annum or the maximum lawful rate on such judgments.

In addition to the rights of actions set forth above, the Board of the Association may penalize the Member pursuant to Section 4 of Article IX, and/or may suspend the membership rights of any Member during the period when the assessment remains unpaid. Upon payment of

such assessment, the Owner's rights and privileges shall be automatically restored. This provision shall not empower the Board to suspend the rights to use the roads within the Property.

**Section 10. Subordination of the Lien to Mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a Decree of Foreclosure, or any other proceeding or deed in lieu of foreclosure, and provided, further, that any delinquent assessments which are extinguished pursuant to the foregoing provision may be reallocated and assessed to all Members as an expense of the Association. Such sale or transfer shall not relieve such property from liability for assessment accruing after conveyance by the creditor to a subsequent Owner.

**Section 11. Exempt Property.** The following property subject to this Declaration shall be exempt from assessments created herein:

- (a) Any portion of the Property dedicated to and accepted by a local public authority unless operated as or leased by said public authority to a third party as a site to accommodate commercial or business enterprises;
- (b) The Common Property;
- (c) Marsh, wetland, swamp, and upland freshwater conservancies and lands designated as "conservation/preservation" or set forth as such on any recorded plat of the Property or as shown on the Master Plan.

**Section 12. Annual Budget.** The Board of Directors shall cause to be prepared and make available at the office of the Association to all Members at least thirty (30) days prior to the first day of the following fiscal year, a budget outlining anticipated receipts and expenses for such fiscal year. Financial books of the Association shall be available for inspection at the offices of the Association at all reasonable times.

**Section 13. Duties of the Board of Directors.** The Board of Directors of the Association shall fix the amount of the assessment against each Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel or Unsubdivided Land and shall at the time direct the preparation of an index of the Property and assessments applicable thereto which shall be open to inspection by any Member. Written notice of assessment shall thereupon be sent to every Member subject thereto.

**Section 14. Working Capital.** An additional duty of the Association shall be to establish at the time of activation of the Association a working capital fund which shall collect a working capital contribution equal to \$300.00 for each Lot and Dwelling Unit. Each Lot or Dwelling Unit's share of the working capital fund must be collected from the purchaser of the Lot or Dwelling Unit and transferred to the Association at the time of closing of the initial sale of each Lot or Dwelling Unit from the Declarant or other initial grantor. The working capital fund



shall be maintained in an account for the use and benefit of the Association. The purpose of this fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advance payment of Annual Assessments or Special Assessments.

**Section 15. Delegation of Collection of Annual or Special Assessments.** Any collection of regular Annual Assessments or Special Assessments or Neighborhood Assessments hereunder may be delegated by the Association to a Subordinate Association. In the event such collection duties are delegated to a Subordinate Association hereunder, the Declarant and the Association hereby reserve unto themselves the right to pursue collection of such Assessments in the event the Assessments are not promptly paid pursuant to the terms hereof. In the event such collection action is required, any Subordinate Association with responsibility for any portion of the property hereby acknowledges that such owner or Association shall be responsible for the Association's share of any costs and/or attorney's fees incurred as a result of such collection. In the event the Association elects to delegate the collection of Assessments to a Subordinate Association, the collection of said Assessments shall be the obligation of the Subordinate Association which shall in turn bill all of its members for its collection. The rights of the Association are cumulative and may be pursued collectively or separately without resort, or necessity of resort, to any remedy prior to any other.

**Section 16. Effect of Non-payment of Assessment; Remedies of the Association.** Any Assessments which are not paid by an Owner to its Subordinate Association or by that Subordinate Association to the Association when due shall be delinquent. If the Assessment is not paid, then the Association may bring an action at law against the Subordinate Association or the Owner personally for its collection, or foreclose the lien against the Owner's Lot or Dwelling Unit. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Property.

**Section 17. Statement of Account.** Upon payment of a reasonable fee for copies and administrative charges, which shall be determined by the Board of Directors, and upon written request of any Owner, mortgagee, prospective mortgagee or prospective purchaser of a property within the Property, the Association shall issue a written statement setting forth the following:

- (a) the amount of the unpaid Assessments, if any, with respect to such property; and
- (b) the amount of the current Annual Assessment, Special Assessment or Neighborhood Assessment and the date or dates upon which such assessments thereof become due.

Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. A purchaser of a property shall be jointly and severally liable with the seller thereof for all unpaid Assessments against such property up to the time of the grant or conveyance; provided, however, that this provision shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments.

**ARTICLE VI  
FUNCTIONS OF ASSOCIATION**

**Section 1. Ownership and Maintenance of Common Property.** The Association shall be authorized to own and/or maintain (subject to the requirements of any federal, state or local governing body of South Carolina) Common Property, equipment, furnishings and improvements devoted to the following uses:

- (a) For roads, roadways or bridges within the Property;
- (b) For sidewalks, curbs, walking paths, bike paths, walkways or trails within the Property;
- (c) For security services, including security stations, gates, maintenance building and/or guardhouses;
- (d) For lighting, fences, walls, landscaping, irrigation, and sign maintenance and repair;
- (e) For storm drainage systems and other drainage facilities serving Reunion Hall;
- (f) For maintaining the items listed herein and all natural areas located in the Property;
- (g) For any of the services which the Association is authorized to offer under Section 2 of this Article VI.

**Section 2. Services.** The Association shall be authorized (unless prohibited by the requirements of any federal, state or local governing body) but not required to provide the following services:

- (a) Cleanup and maintenance of all roads, roadways, parkways, lakes, water courses and other Common Property within the Property and also all public property which is located within or in a reasonable proximity to the Property such that their deterioration would effect the appearance of the Property as a whole;
- (b) Landscaping of roads and parkways, sidewalks and walking paths;
- (c) Lighting of roads, sidewalks and walking paths throughout the Property;
- (d) Security provisions including but not limited to the employment of gate attendants, maintenance of electronic and other security devices and communication equipment and control centers for the protection of persons and

property within the Property and assistance in the apprehension and prosecution of persons who violate the laws of South Carolina within the Property;

- (e) Maintenance of all signage, lakes, waterways, lagoons, and wetland buffers located within the Property;
- (f) To construct improvements on Common Property for use for any of the purposes or as may be required to provide the services as authorized in this Article;
- (g) To provide administrative services including, but not limited to operations, legal, accounting and financial, and communication services, informing Members of activities, Notice of Meetings, etc., incident to the above listed services;
- (h) To provide liability and hazard insurance covering improvements and activities on the Common Property;
- (i) To provide any or all of the above listed services to another Association or owners of real property under a contract, the terms of which must be approved by the Board of Directors;
- (j) To set up and operate a Review Board (hereafter defined) in the event that the Association is designated by the Declarant as the agent of the Declarant for such purpose.

**Section 3. Obligation of the Association.** The Association shall not be obligated to carry out or offer any of the functions and services specified by the provisions of this Article except the Association shall have an obligation to maintain roadways and drainage facilities in a functional and acceptable condition. The functions and services to be carried or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Members of the Association.

**Section 4. Mortgage and Pledge.** The Board of Directors of the Association shall have the power and the authority to mortgage the property of the Association and to pledge the revenues of the Association which loans shall be used by the Association in performing its authorized functions. The Declarant may make loans to the Association, subject to approval by the Declarant of the use to which such loan proceeds will be put and the terms pursuant to which such loans will be repaid.

## **ARTICLE VII ARCHITECTURAL CONTROL**

**Section 1.** In order to preserve the natural beauty of Reunion Hall and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for

the Property, and to protect and promote the value of property, no building, fence, wall, sign, swimming pool, tennis court, roof, exterior or other structure shall be erected, placed, added to or altered until the proposed building plans, specifications (including height, color and composition of roof, siding, or other exterior materials and finish), development and land plan, plot plan showing the proposed location of such building or structure (drives and parking areas), landscape plan and construction schedules or changes thereto shall have been submitted and approved in writing as hereinafter provided. The Declarant may assign all rights as provided herein to a Subordinate Association.

**Section 2. Objectives.** Architectural and design review shall be directed towards obtaining the following objectives for Reunion Hall:

(a) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms;

(b) Insuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the Lots and Dwelling Units and with surrounding Lots, Dwelling Units and structures and does not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape;

(c) Insuring that the architectural design and structures and their materials and colors are visually harmonious with Reunion Hall's overall appearance, history and cultural heritage, with surrounding development, with natural land forms and native vegetations, and with development plans officially approved by the Declarant, or any governmental or public authority, if any, for the area in which the structures are proposed to be located;

(d) Insuring the plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining or nearby Lots, and blend harmoniously with the natural landscape;

(e) Insuring that any development, structure, building or landscaping complies with the provisions of these covenants;

(f) Promoting building design and construction techniques that respond to energy consumption and environmental quality consideration such as heat loss, air emissions, wetland preservation and run-off water quality.

(g) Insuring that vegetative or natural buffer areas are preserved between structures and golf course and wetland areas as designated by governmental authorities so as to conform and comply with any agreements to protect jurisdictional wetland areas.

**Section 3. Architectural Review Board.** The Declarant shall establish an Architectural Review Board (such Board hereinafter referred to as the "Review Board") which shall consist of at least three (3) but not more than five (5) persons. The initial Board shall be

composed of three (3) members appointed by the Declarant and thereafter appointed by the Board of Directors of the Association. The regular term of office for each member of the Review Board shall be one (1) year.

The Review Board shall select its own Chairman and he, or in his absence the Vice Chairman, shall be the presiding officer of the meetings. All meetings shall be held upon call of the Chairman; all meetings shall be held at the offices of the Declarant in Reunion Hall, Georgetown County, South Carolina or at such other places as may be designated by the Chairman.

The Review Board is hereby authorized to retain the services of one or more consulting architects, administrators, landscape architects, urban designers, and/or attorneys, who need not be licensed to practice in the State of South Carolina to advise and assist the Review Board in performing the design review functions herein prescribed.

**Section 4. Review of Approval of Plans for Additions, Alterations or Changes to Structures in Landscaping.** No building, wall, fence, sign, swimming pool, tennis court, roof, color and composition of roof, siding and other exterior materials and finishes, exterior light or other structure or improvement or development of any kind shall be commenced or erected upon any Lot or upon the exterior of any Dwelling Unit, or upon any Multi-Family Tract, Development Unit Parcel or upon the Common Property, nor shall any landscaping be done, nor shall any addition to any existing building or alteration or change therein be made until an application including the proposed building plans, specifications (including height, color and composition of roof, siding or other exterior materials and finish), site plan (showing the location of such building or structure, drives and parking area), landscape plan, and construction schedule (collectively, the "Plans") along with any fees shall have been submitted to and approved by the Review Board.

**Section 5. Submission, Approval and Refusal of Architecture, Siting, Landscaping and Other Building Plans.** Two (2) copies of the Plans, of a scale and quality determined by the Review Board, and related data shall be furnished the Review Board. One copy shall be retained in the records of the Review Board. The other copy shall be returned to the Property Owner marked "Approved" or "Disapproved". The Review Board shall establish a fee sufficient to cover the expense of reviewing plans and related data at the time they are submitted for review and to compensate any consulting architects, landscape architects, urban designers or attorneys retainer in accordance with Section 3 above. Approval shall be dated and shall not be effective for construction commenced more than twelve (12) months after such approval unless a different expiration time is specified specifically and stated in the approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted nor denied within forty-five (45) days following receipt by Review Board of written request for approval along with the submission of all requirements hereunder, the provisions of this Section shall be thereby waived. Refusal of approval of plans, location or specification may be based by the Review Board upon any ground which is consistent with the objectives of these covenants, including purely aesthetic considerations, so long as such ground is not arbitrary and capricious.

**Section 6. Approval Not A Guarantee or Representation of Proper Design or Good Workmanship.** No approval of plans, location or specifications and no publication or architectural standards bulletins shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence, structure or other improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good and workmanlike manner. Neither the Declarant nor the Review Board shall be responsible or liable for any defects in any plans or specifications submitted, revised or approved under these Covenants nor for any defects in construction pursuant to such plans and specifications. The Owner shall have sole responsibility for compliance with approved plans and does hereby, by acceptance of title to property subject to these Covenants, agree to hold the Review Board and the Declarant harmless for any failure thereof caused by the Owner's architect or builder. The Declarant reserves the right to prohibit the Owner's builder and/or general contractor from going to or upon the site in the event it is determined that failure to comply with approved plans is intentional or due to gross negligence under the above mentioned circumstances. The Owner hereby agrees that the exercise of these rights shall not constitute a denial of Owner's property rights and shall not give rise to a cause of action for damages by the Owner.

**Section 7. Assignment of Architectural Review Duties.** Notwithstanding the aforesaid, the Declarant and the Board of Directors of the Association reserves the right to assign all or portions of the architectural review functions, duties and obligations as heretofore described to such other architectural review boards or committees now or hereafter formed or created by another property owners' association created for a subdivision or designated area of the Property. Such assignment of functions, duties and obligations may be subject to such conditions and limitations as the Declarant may impose upon such other architectural review board or committee, including the right of Declarant to enforce rules and regulations in the event such sub-committee or association neglects (in the discretion of Declaration) to do so. All rights of the Declarant hereunder shall terminate upon termination of the Declarant's Class D voting rights.

**Section 8. Rules, Regulations and Deposits.** The Declarant hereby authorizes the Review Board to promulgate certain rules and regulations to carry out the duties delegated to the Review Board hereunder, including establishing reasonable provisions for working capital contributions, review fees to cover costs of review of the plans, landscaping deposits to insure the completion of the landscaping design in a reasonable and proper manner, impact deposits, construction deposits to ensure that the plans and specifications are complied with in a reasonable time and to ensure prompt trash removal from said Lot, Dwelling Unit, Multi-Family Tract or Development Unit Parcel, and fines for non-compliance all as deemed necessary in the reasonable discretion of the Review Board and which the Review Board may increase, modify and supplement at any time. All fees and charges provided for herein shall constitute specific assessments and a lien upon the Lot, Dwelling Unit, Multi-Family Tract or Development Unit Parcel.

**Section 9. Liability of Review Board Members.** No member of the Review Board shall be liable to any Owner for any decision, action or omission made or performed by such Review Board Member in the course of his duties unless such member acted in bad faith or in reckless disregard of the rights of any person or of the terms of this Declaration.

**Section 10. Declarant Exemption.** Declarant shall be exempt from the provisions of this Article VII for so long as Declarant maintains its rights to exercise Class D Voting Rights.

## **ARTICLE VIII EASEMENTS**

**Section 1. Easement for Utilities and Irrigation Lines.** The Declarant reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the Property to erect, maintain and use poles, wires, cables, conduit, sewers, water mains, drainage ways, sprinkler or landscape irrigation systems, pumping stations, tanks, cable television systems, gas lines and other suitable equipment for the conveyance and use of electricity, telephone, water, sewer, cable television and other utilities provided, however, that (a) no utility easement or irrigation line shall run across any portion of a Lot or Multi-family tract or other portion of the Property which is covered by an existing building or structure or across any area for which written approvals to construct a building thereon have been obtained or which is designated as a building site on a recorded subdivision map; (b) such easements for installation of utilities and irrigation lines therein or thereon shall be maintained in as an attractive matter as is reasonably feasible; (c) the Declarant, without obligation, reserves the right to transfer any such utilities, irrigation lines and easements, in whole or in part, which it may own to the Association or other third parties, at which time the Association or such other third parties shall be responsible for and have the obligation to operate and maintain such utility easements and irrigation lines; (d) the Declarant, without obligation, reserves the right to transfer such utilities, utility easements and irrigation line easements to access to such utilities, irrigation lines and utility easements in whole or in part to another entity, whether public or private, which shall undertake to provide such utility service. These easements and rights especially include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility and/or irrigation line installation and to maintain reasonable standards of health, safety and appearance.

**Section 2. Drainage Easements.** An easement is hereby reserved for the benefit of the Declarant and the Association, their respective employees, agents, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners, the Association and the Declaration, as applicable to the extent possible to prosecute such easement work properly and expeditiously and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work.

**Section 3. Environmental Easement.** There is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns, an alienable, transferable and perpetual right and easement on, over and across all unimproved portions of the Property for the purpose of taking any action necessary to effect compliance with environmental rules, regulations and procedures from time to time promulgated or instituted by the Board of Directors of the Association or by any governmental entity, such easement to include without limitation the right to implement erosion control procedures and practices, the right to drain standing water and the right to dispense pesticides.

**Section 4. Reservation of Water Feature Maintenance Easements.** The Declarant or the ARB hereby reserves unto itself, its successors and assigns, a perpetual, alienable, and releasable easement and right on, over and under the portion of any Lot or part of the Property fronting on any water way, body or water, lake, pond or similar water feature ("Water Features") commencing at the boundary of any such Water Feature and extending onto any Lot or part of the Property fronting such Water Feature for a distance of twelve (12) feet, and an easement along the side of such lot of seven and one-half (7.5) feet. This easement shall be for the purposes of Water Feature maintenance, improvement, construction, as may be necessary or required for such Water Feature and the community. This easement and right expressly includes the right to cut or add any trees, bushes, or shrubbery, make any gradings of the soil, construct or maintain bulkheads, install "rip-rap" and similar retention and erosion control devices or to take any action reasonably necessary to serve the easement and Water Feature maintenance. This easement shall also include the right to utilize a portion of any affected Lot Declarant deems reasonably necessary to control fluctuation in water levels of such water feature. This easement and right also expressly includes the right of entry onto such Lots, the right to install pipes, water control devices, pumps, and the right to pump water into or from any Water Feature for irrigation purposes, and the right to take other action reasonably necessary to serve the easement reserved herein. Declarant expressly disclaims liability of any type or kind for any damage to any Lot or improvements thereon resulting from or arising out of any fluctuation in water levels attributable to inordinate or out-of-the ordinary rainfall or storm precipitation, or natural disasters such as hurricane or floods. The reservations herein shall not be considered an obligation of the Declarant or the ARB to provide or maintain any such service. It is the intent of this section to maintain the subject easement in a natural state to the extent reasonably possible. The reservations herein shall not be considered an obligation of the Declarant or the ARB to provide or maintain any such service.

**Section 5. Reservation of Golf Course Maintenance Easements.** The Declarant hereby reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the portion of any Lot fronting on any golf course commencing at the boundary of any golf course and extending onto any Lot Property fronting such golf course for a distance of thirty (30) feet. This easement shall be for the purpose of golf course maintenance, improvement, and construction, as may be necessary or required for such golf course. This easement and right expressly includes the right to cut or add any trees, bushes or shrubbery, make any gradings of the soil, or to take any action reasonably necessary to serve the easement and golf course maintenance. It is the intent of this section to maintain the subject easement in a natural, non-manicured state. The reservations herein shall not be considered an



obligation of the Declarant to provide or maintain any such service.

**Section 6. Landscaping Easement.** The Declarant reserves unto itself, its successors and assigns, and for the benefit of the Association, the right to create a perpetual, alienable and releasable easement on, over, across and under the "15' Landscape Construction & Maintenance Easement" (hereinafter "Landscaping Easement") as shown on the plat entitled "Combination Plat of Reunion Hall Formerly Known As Litchfield Crossing The Reserve at Litchfield for The Litchfield Company of South Carolina Limited Partnership", prepared by Survey Technology, Inc., said survey being dated December 17, 2003 and recorded on January 30, 2004 in Slide 492 at page 7 in the Office of the Register of Deeds for Georgetown County. This Landscaping Easement shall be to plant, install, replace and maintain grass, flowers, bushes, trees, and any landscaping deemed reasonably necessary as to depth and size by Declarant to screen such Property from noise and traffic upon Reunion Drive and Old Assemblage. The Declarant, its successors and assigns, reserves the right to install, erect, replace, and maintain irrigation lines, pumps and other equipment as it deems necessary to service the Landscaping Area, this right to also include the right to spray water over the Landscaping Easement Area. Notwithstanding anything contained herein to the contrary, neither the Declarant, its successors and assigns, nor the Association shall be under obligation to provide or maintain landscaping or other improvements set forth herein.

**Section 7. Deemed Grant and Reservation.** A conveyance of a Lot, Dwelling Unit, Multi-family Tract, or Unsubdivided Property subject hereto shall be deemed to have granted or reserved, as the context shall require, all easements set forth in this Declaration.

**Section 8. Trespass.** Whenever the Association or the Declarant is permitted by this Declaration to correct, repair, clean, preserve, clear out or do any action on the Property or on the easement areas adjacent thereto, entering the Property and then taking such action shall not be deemed a trespass.

## ARTICLE IX GENERAL PROVISIONS

**Section 1. Duration.** This Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Declarant or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited and this Declaration shall be automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial thirty (30) year period or during the last year of any subsequent ten (10) year renewal period, three-fourths (3/4ths) of the votes cast at a duly held special meeting of the Association are cast in favor of terminating this Declaration at the end of its then current term. In the event that the Members of the Association vote to terminate this Declaration, the President and

Secretary of the Association shall execute a Certificate which shall set forth the Resolution termination adopted by the Association, the date of the meeting of the Association at which such Resolution was adopted, the date that notice of such meeting was given, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a Resolution terminating this Declaration, and the total number of votes cast against such Resolution. Said Certificate shall be made Of Record and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

**Section 2. Amendments.** The Declarant, its successors and assigns specifically reserve the right to amend this Declaration, or any portion hereof, in any particular, by an instrument in writing filed and recorded in the ROD Office for Georgetown County, South Carolina with or without the approval of any Owner or mortgagees from the date hereof until January 1, 2050. Each Owner, by acceptance of a deed or other conveyance to a Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel or Unsubdivided Land agrees to be bound by such amendments as are permitted by this section. Thereafter, the procedure for amendment shall be as follows. All proposed amendments shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendments shall be deemed approved if three-fourths (3/4ths) of the votes cast at such meeting vote in favor of such proposed amendment. Notice shall be given each Member at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute an Addendum to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event shall be less than sixty (60) days after the date of the meeting of the Association at which such amendment was adopted), the date that notice of such meeting was given, the total number of votes required to constitute a forum at a meeting of the Association, the total number of votes cast against the amendment. Such Addendum shall be placed Of Record.

So long as the Declarant is a Class D Member, no amendment of this Declaration shall be made without the consent of the Declarant.

**Section 3. Rule Against Perpetuities.** The Declarant herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself. In the event that any of the provisions hereof are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then and in that event, such terms shall be reduced to a period of time which shall not violate the Rule Against Perpetuities or any other law of the State of South Carolina, and such provisions shall be fully effective for such reduced period of time.

**Section 4. Enforcement.** This Declaration shall be enforceable by the Association, the Declarant, or any Member of the Association by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages and to enforce any lien created by this Declaration; and failure by the Association or any Member or the Declarant to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a

waiver or estoppel of the right of any of the foregoing to enforce the same thereafter. In lieu thereof or in addition thereto, the Board of the Association shall have the right to levy a Penalty against such Member for such violations or attempted violations of any covenant or restriction contained herein. The Board shall from time to time create a list of Penalties to the corresponding violation(s) and shall thereafter furnish the list to the Members. Any Penalty levied against a Member, together with such interest thereon and cost of collection therefor as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon of the Member. Each such Penalty, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall also be the personal obligation of the person or entity which was the owner of such real property at the time when the Penalty first became due and payable. In the case of co-ownership of a Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel and Unsubdivided Land, all of such co-owners shall be jointly and severally liable for the entire amount of the Penalty.

If the Penalty is not paid within thirty (30) days of the issuance of said Penalty, then such Penalty shall become delinquent and shall (together with interest thereon at the rate of three and one-half (3½%) percent per month from the due date and all costs of collection thereof including a reasonable attorney's fee) become a charge and continuing lien on the land and all improvements thereon, against which each Penalty is made, at the hands of the then Owner, his heirs, devisees, personal representatives, tenants and assigns.

If the Penalty is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in like manner as a mortgage of real property or both. Upon the exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of any past due assessments due and payable and collect the same through foreclosure. In either event all costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of the Penalty. In the event a judgment is obtained such judgment shall include interest on the Penalty at the rate of eighteen (18%) percent per annum or the maximum lawful rate on such judgments.

In addition to the rights of actions set forth above, the Board of the Association may suspend the membership rights of any Member during the period when the Penalty remains unpaid. Upon payment of such Penalty, the Owner's rights and privileges shall be automatically restored. This provision shall not empower the Board to suspend the rights to use the roads within the Property.

**Section 5. Interpretation.** The Board of Directors of the Association shall have the right to determine all questions arising in connection with the Declaration and to construe and interpret its provisions, and its determination, construction or interpretation, shall be final and binding. In all cases, the provisions of this Declaration shall be given that interpretation or construction that will best tend toward the consummation of the then-current general plan of improvement.

**Section 6. Severability.** Should any covenant or restriction herein contained, or any

article, section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way effect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

**Section 7. Authorized Action.** All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the Bylaws of the Association, unless the terms of this instrument provide otherwise.

**Section 8. Notices.** Any notice required to be sent to any Member under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed, to the address appearing on the Association's membership list. Notice to one or two or more co-owners or co-tenants of a Lot, Dwelling Unit, Multi-Family Tract, Development Unit Parcel or Unsubdivided Land shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes a Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor in title.

**Section 9. Termination of Association.** In the event that this Declaration be declared to be void, invalid, illegal or unenforceable in its entirety, or in such significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any Court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, and such adjudication occurs within ten (10) years of the date of recording of this Declaration, all Common Property belonging to the Association at the time such adjudication shall revert to the Declarant, and the Declarant shall own and operate said Common Property as Trustees for the use and benefit of Owners within the Property as set forth below. If said adjudication shall occur on a date more than ten (10) years after the date of recording of this Declaration, or if the Members of the Association should vote not to renew and extend this Declaration as provided in Article IX, Section 1, all Common Property owned by the Association at such time shall be transferred to a properly appointed trustee which trustee shall own and operate said Common Property for the use and benefit of Owners within the Property as set forth below:

- (a) Each Lot or parcel of land located within the Property shall be subject to an Annual Assessment which shall be paid by the Owner of each such Lot or parcel to the Declarant or Trustee, whichever becomes the successor in title to the Association. The amount of such Annual Assessment and its due date shall be determined solely by the Declarant or the Trustee, as the case may be, but the amount of such Annual Assessment on any particular Lot or parcel shall not exceed that amount actually assessed against that Lot or parcel in the last year that assessments were levied by the Association, subject to the adjustment set forth in subparagraph (b) immediately below;

- (b) The rate of the Maximum Annual Assessment which may be charged by the Declarant or Trustee hereunder on any particular Lot or parcel may be automatically increased each year by either ten (10%) per cent of the percentage increase between the first month and the last month of the annual assessment period in the Consumer Price Index, U. S. City Average, All Items (1982-84=100) (hereafter C.P.I.) issued by the U. S. Bureau of Labor Statistics in its monthly report entitled "The Consumer Price Index, U. S. City Average and Selected Areas", whichever of these two percentage figures is larger. The actual amount of such increase in the Maximum Regular Annual Assessment on a Lot or parcel shall equal the Maximum Regular Annual Assessment on such Lot or parcel for the previous year multiplied by the larger of the two percentage factors set forth above. If the C.P.I. is discontinued, then there shall be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living;
- (c) Any past due Annual Assessment or Penalty together with interest thereon at the maximum annual rate permitted by law from the due date and all costs of collection including reasonable attorney's fees shall be a personal obligation of the Owner at the time that Annual Assessment became past due, and it shall also constitute and become a charge and continuing lien on the Lot or parcel of land and all improvements thereon, against which the assessment has been made in the hands of the then Owner, his Heirs, Devisees, Personal Representatives and Assigns;
- (d) The Declarant, or the Trustee, as the case may be, shall be required to use the funds collected as Annual Assessments for the operation, maintenance, repair and upkeep of the Declarant or Trustee of its services in carrying out the duties herein provided. Neither the Declarant nor the Trustee shall have the obligations to provide for operation, maintenance, repair and upkeep of the Common Property once the funds provided by the Annual Assessment have been exhausted;
- (e) The Declarant shall have the right to convey title to the Common Property and to assign its rights and duties hereunder, provided that the transferee accepts such properties subject to the limitations and uses imposed hereby and affirmatively acknowledges its acceptance of the duties imposed hereby;
- (f) The Trustee shall have the power to dispose of the Common Property free and clear of the limitations imposed hereby; provided, however, that such disposition shall first be approved in writing by fifty-one (51%) per cent of the Owners of Property within the Properties or in the alternative shall be found to be in the best interest of the Owners of property within the Properties of Record. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Property then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and

upkeep of such Properties, then for the payment of any obligations distributed among the Owners of Property within the Properties, exclusive of the Trustees, in a proportion equal to the portion that the Maximum Annual Assessment on property owned by a particular Owner bears to the total Maximum Annual Assessment for all property located within the Properties.

WITNESS our hands and seals the date and year first above written.

Signed, Sealed and Delivered  
In the Presence of:

*C. J. [Signature]*  
*Janna B. Moore*

THE LITCHFIELD COMPANY OF SOUTH  
CAROLINA LIMITED PARTNERSHIP

By its sole General Partner:  
Litchfield Enterprises, Inc.

By: *George P. Taylor*  
Title: *EXECUTIVE VICE PRESIDENT*

STATE OF SOUTH CAROLINA )  
  )  
COUNTY OF GEORGETOWN )

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this 6 day of February, 2004 by The Litchfield Company of South Carolina Limited Partnership, by its sole General Partners, Litchfield Enterprises, Inc., by George P. Taylor, its Executive Vice President.

SWORN to before me this 6  
day of February, 2004.

*C. J. [Signature]* (L.S.)  
Notary Public for S.C.  
My Commission Expires: Oct 4, 2012

**EXHIBIT "A"**  
(Legal Description of the Property)

All that certain piece, parcel or lot of land situate, lying and being in the County of Georgetown and designated Tract 1 (inclusive of .774 Acre± Access & Utility Easement), Tract 2 and Tract 3 together containing 39.069± acres on a plat entitled "Combination Plat of Reunion Hall Formerly Known As Litchfield Crossing The Reserve at Litchfield for The Litchfield Company of South Carolina Limited Partnership", prepared by Survey Technology, Inc., said survey being dated December 17, 2003 and recorded on January 30, 2004 in Slide 492 at page 7 in the Office of the Register of Deeds for Georgetown County, all of which will more fully appear by reference to the aforesaid map which is incorporated herein and made a part and parcel hereof by reference thereto.

This being a portion of premises conveyed unto The Litchfield Company of South Carolina Limited Partnership, a South Carolina Limited Partnership by Deed of Litchfield-By-The-Sea, a Joint Venture, dated and recorded December 30, 1988, in the Office of the Register of Deeds for Georgetown County in Deed Book 317 at Page 166.

TMS Pt of #'s: 4-195M-4, 4-195M-2, and 4-195M-3



COPY

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GEORGETOWN )

**TERMINATION OF CLASS D MEMBERSHIP  
(Reunion Hall)**

**THIS TERMINATION OF CLASS D MEMBERSHIP** is entered into by The Litchfield Company of South Carolina Limited Partnership (the "Declarant") this 24<sup>th</sup> day of June, 2008.

**WHEREAS**, the Declarant is the Class D Member under that certain Declaration of Covenants, Conditions and Restrictions For Reunion Hall (the "Declaration"), dated February 6, 2004 and recorded in the Office of the Register of Deeds for Georgetown County, South Carolina (the "ROD") on February 6, 2004, in Book 1476, Page 284; and

**WHEREAS**, Declarant reserved the right to terminate its Class D membership at its sole election in Article III, Section 3.

**NOW THEREFORE**, the Declarant hereby elects as follows:

1. Termination of Class D Membership. Declarant hereby elects to terminate its Class D Membership pursuant to Article III, Section 3 of the Declaration.

**IN WITNESSES WHEREOF**, the undersigned has hereunto set its Hand and Seal on this instrument this 24<sup>th</sup> day of June, 2008.

**WITNESSES:**

Signed, Sealed and Delivered  
in the Presence of:

Donna Braun  
Beck Miller

**ASSIGNOR:**

**The Litchfield Company of South Carolina  
Limited Partnership**

By: Its sole General Partner  
Litchfield Enterprises, Inc.  
By: Douglas G. Mahon, III (Seal)  
Its: President / CEO