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Declaration - Cleveland Meadows (SC, SF, Builder)

DEE-2023-49966

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CLEVELAND MEADOWS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made as of the 1/2 to day of octaon. 2023 by ECS Development, LLC, a South Carolina limited liability company ("Declarant"). All capitalized terms shall have the meaning set forth in Article I or elsewhere in this Declaration.

BACKGROUND STATEMENT

The Declarant is the owner of the Property (defined in Article I) which is in Spartanburg County, South Carolina. Declarant desires to develop a residential community of single-family detached Houses on Lots on the Property along with Roadways and Common Elements for the benefit of the Owners of Lots. This development shall be known as Cleveland Meadows ("Project"). Declarant further desires to provide for the maintenance of the Common Elements and of the Roadways and therefore desires to subject the Property and this Project to the covenants, restrictions, easements, charges, and liens described in this Declaration.

Declarant has deemed it desirable to create a nonprofit, incorporated association which will be delegated and assigned powers of maintaining and administering the Roadways and Common Elements within the Propel ty, of administering and enforcing the covenants and restrictions created in this Declaration, of levying, collecting and disbursing the Assessments and charges created in this Declaration, and of taking any steps or performing any acts deemed necessary or appropriate to preserve the values of the Lots and to promote the recreation, health, safety and welfare of the Owners of the Lots within the Project.

STATEMENT OFDECLARATION

NOW, THEREFORE, Declarant hereby declares that (subject to certain rights of amendment as hereinafter described) the Property shall be held, transferred, sold, conveyed, occupied and used subject to the following easements, restrictions, covenants and conditions, which shall run with the Propel ty and be binding on, and inure to the benefit of, all parties having any right, title or interest in the Property or any part thereof, and the heirs, successors and assigns of all of the foregoing parties.

ARTICLE I

DEFINITIONS

The following words, when used in this Declaration or any supplement or amendment hereto, shall have the following meanings (unless the context shall prohibit):

"Act" shall mean the South Carolina Non-Profit Corporation Act, codified in Title 33, Chapter 31 of the South Carolina Code.

"Additional Land" shall mean and refer to any land that is located within one (1) mile of the perimeter of the Property, as the Property is expanded from time to time as provided in Article II.

"Association" shall mean and refer to the Cleveland Meadows Homeowners Association, Inc., a South Carolina non-profit corporation, organized pursuant to the Act and its successors and assigns.

"Board" or "Board of Directors" shall mean and refer to the executive board of the Association.

"Builder" shall mean and refer to Lennar Carolinas, LLC, a Delaware limited liability company, and any other person or entity specifically designated as a "Builder" by the Declarant in an amendment to this Declaration, which person or entity takes title to any Lot for the purpose of constructing a House thereon for resale.

"Bylaws" shall mean the bylaws adopted by the Association pursuant to the Act, as they may be amended from time to time. The initial Bylaws of the Association are attached as Exhibit B to this Declaration.

"Certificate of Occupancy" shall mean and refer to any required certification issued by the appropriate governmental authorities as a prerequisite to occupancy of any House on the Property.

"Common Elements" shall mean and refer to all real and personal property leased or owned by the Association and any easements granted to or reserved for the benefit of the Association for the common use and enjoyment of the Owners. Common Elements shall include any private Roadways and any private alleys that appear on the Plat. "Common Area," Common Open Space" and "COS" are part of the Common Elements. Common Elements shall also include Public Use Areas that are conveyed to the Association as permitted under Article II, Section 2.3.

"Community Wide Standard" or "CWS" shall mean and refer to the standard of conduct, condition, repair, upkeep, maintenance, or other activity which is made applicable to all Lots and is binding on all Owners as provided in Article VIII. The Community Wide Standard may be set, amended, or expanded by the Association's Board of Directors from time to time without the consent or approval of the Members as the Board of Directors, in its sole and absolute discretion, deems appropriate. During the Declarant Control Period, the Declarant must approve and consent to the Community Wide Standard and any amendments thereto or expansions thereof.

"County" shall mean and refer to Spartanburg County, South Carolina.

"Declarant" shall mean and refer to ECS Development, LLC, a South Carolina limited liability company. It shall also include any person or entity who takes title to any portion of the Property and who is designated to be the Declarant in an instrument recorded in the County Public Registry. "Declarant" shall also include any person or entity who takes title to all or a portion of the Property by virtue of the foreclosure of a mortgage given by the Declarant or any successor Declarant and which encumbers the Property.

"Declarant Affiliate" shall mean and refer to any owner, shareholder, predecessor, successor, subsidiary, officer, member, manager, director, employee, agent, or representative of Declarant.

"Declarant Control Period" shall mean and refer to the period defined in Article IV, Section 4.4.

"Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, as it may be amended, supplemented, or extended from time to time.

"Development Rights" shall mean and refer to the rights that are hereby reserved for the benefit of the Declarant to (a) add real estate to the Project as permitted under Article II; (b) the right of the Declarant to create, revise and/or define and delineate the boundaries or configuration of any polition of the Property (including, without limitation, the Lots, Common Elements or Limited Common Elements within the Project); (c) the right of the Declarant to subdivide or combine Lots or convert Lots into Common Elements; (d) the right of the Declarant to alter any site plan or master plan for the Project; and (e) the right of the Declarant to withdraw any portion of the Property from the Project and the planned community at any time, all of which rights may be exercised by the Declarant at any time within twenty-five years after the recordation of this Declaration as the Declarant, in its sole discretion deems reasonable, appropriate or warranted.

"House" shall mean and refer to the primary residential dwelling improvement conshl leted upon a Lot, which improvement is owned by the Owner of the Lot on which it is constructed and is subject to the terms and provisions of the Project Documents.

"Lot" shall mean and refer to any numbered plot of land appearing on any Plat of the Property which is the site for construction of a House and includes the land and any and all improvements and fixtures thereon.

"Member" shall mean and refer to every individual, corporation, partnership, limited liability company, association, trustee, or other legal entity that is a member of the Association as provided in Article IV, Section 4.1.

"Mo ltgage" shall mean and refer to a mortgage or deed of hllst constituting a first lien on a Lot.

"Mortgagee" shall mean and refer to an Institutional Lender holding a Mortgage that has notified the Association in writing of its name and address, and that it holds a Mortgage on a Lot. Upon request, each Owner shall provide the name and address of the then current holder of any Mortgage encumbering Owner's Lot.

"Occupant" shall mean and refer to any person occupying all or any portion of a Lot or any portion of the Property for any period.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities of fee simple title to any Lot (as defined herein) which is a part of the Property, but excluding Declarant, Builder and those parties who have such interest merely as security for the performance of an obligation.

"Plat" shall mean and refer to the one or more subdivision maps of the Property recorded in the County public registry from time to time, and any revisions thereof, as well as other subdivision plats of Additional Land subjected to this Declaration from time to time by Supplemental Declaration, and any revisions thereof.

"Project Documents" shall mean and refer to this Declaration, the Articles of Incorporation of the Association, the Bylaws, and the rules and regulations governing the use of the Property and the Community Wide Standard, as the foregoing may be amended and supplemented from time to time, and all attachments and exhibits thereto. The Project Documents shall be recorded as required by South Carolina law.

"Property" shall mean and refer to the land described in **Exhibit A** and such other land as may be subjected to this Declaration as provided in **Article II** below.

"Public Use Areas" shall mean and refer to any land appearing on the Plat that is reserved for, designated for or dedicated to public use, including, without limitation, road and street rights-of-way, public greenway tracts and public park tracts, whether or not that land is submitted or subjected to this Declaration.

"Rear Yard" shall mean and refer to the area within each Lot bounded by the plane established by the rear fa<;;ade of the House and the rear and side property lines established on the Plat.

"Roadways" shall mean and refer to the roads, streets, and cul-de-sacs in the Project as shown on the Plat and shall be public or private as designated on the Plat. Private Roadways shall be maintained by the Association. Public Roadways shall be maintained by the Association until a governmental entity or agency elects, in its discretion, to assume responsibility for Roadway maintenance.

"Special Declarant Rights" shall mean rights reserved for the benefit of the Declarant, including, but not limited to, all rights and powers reserved or granted to the Declarant in this Declaration and the right to complete improvements on the Property, which rights may be exercised by the Declarant at any time during the Declarant Control Period as defined in Article IV, Section 4.4 as the Declarant, in its sole discretion deems reasonable, appropriate or wan-anted.

ARTICLE II

EXPANSION OF PROJECT

Section 2.1 Additions by Declarant. Declarant reserves an option, until the twenty-fifth (25th) anniversary of the date of recording of this Declaration, to subject portions of the Additional Land to this Declaration in accordance with provisions of this Article II. Declarant may exercise this right within the twenty-five (25) year period specified above, without the consent or approval of the Association, or any other Owner or Mortgagee, by executing and recording a Supplemental Declaration in the manner provided in Section 2.2 below; provided that, Additional Land that is not owned by the Declarant at the time of it is annexed may be subjected to this Declaration only with the consent and approval all of the owners of that Additional Land.

Supplemental Declaration. To exercise the right to subject portions of the Additional Land to this Declaration, Declarant shall execute and record a supplement to this Declaration ("Supplemental Declaration"). Any Supplemental Declaration that annexes Additional Land that is not owned by the Declarant shall also be executed by all the owners of that Additional Land. For purposes of this Article, "Supplemental Declaration" shall mean and refer to an instrument recorded in the public registry that annexes land into the Project as provided in Section 2.1 above and subjects that land to the covenants, terms, provisions contained in this Declaration, and which may impose additional or different restrictions and obligations (including assessments) on that land. Any Supplemental Declaration executed and recorded by Declarant shall contain an exhibit legally describing the tract or parcel to be added to the Property and subjected to the Declaration.

Section 2.3 Conveyance of Common Elements. The Common Elements shown on the Plat may be conveyed to the Association at any time the Declarant, in its sole discretion, deems appropriate. Common Elements conveyed may be unimproved or improved. Common Elements may be conveyed prior to the time any or all improvements thereon are completed. Public Use Areas may be conveyed to the Association at any time to be held by the Association as Common Elements pending conveyance to or acceptance by the governmental agency or entity for whose use or benefit it was designated, reserved or dedicated.

ARTICLE III

COMMON ELEMENTS

Section 3.1 Owners' Easements of Enjoyment. Every Owner shall have a perpetual right and easement of enjoyment in and to the Common Elements, which shall be appurtenant to and shall pass with the title to every Lot, subject to the terms of this Section 3.1. The foregoing rights shall include, without limitation, a non-exclusive easement over all Roadways for the purpose of vehicular and pedestrian access, ingress, and egress to each Lot. All rights and easements created by this Section 3.1 shall be deemed appurtenant to each Lot, shall inure to the benefit of each Owner and his tenants, family members, guests, invitees and agents, and are granted subject to the provisions of this Declaration including, without limitation, the following conditions and reservations:

- (a) The right of the Association, to mortgage, pledge, or hypothecate any or all its real or personal property as security for money borrowed or debts incurred as permitted under Section 3.2;
- (b) The right of the Association to take any steps that are reasonably necessary to protect the Common Elements against foreclosure;
- (c) The rights of the Association as provided in the Project Documents and the Act, including without limitation, to impose fines and to suspend voting rights, services provided or privileges enjoyed by any Member for any period during which any assessment remains unpaid, or as a result of any infraction or violation of the Project Documents;
- (d) The right of the Association, in accordance with the provisions of Section 3.2, to dedicate or transfer all or any part of the Common Elements; <u>provided however</u>, that any dedication or transfer during the Declarant Control Period shall require the written consent of the Declarant;
 - (e) The easements described in Article X;
- (f) The right of the Association to establish reasonable rules and regulations for the use of the Property by Members or their tenants, family members, guests, invitees, and agents, as provided in Article XI;
 - (g) Any and all other provisions of this Declaration and the Project Documents; and
- (h) The right of the Declarant to exercise Special Declarant Rights and Development Rights during the Declarant Control Period.

The rights and privileges of family, tenants and contract purchaser and guests to use the Common Elements are subject to the following additional conditions and reservations:

- (i) Family. The rights and easement of enjoyment granted to every Owner in Section 3.1 of this Article may be exercised by members of the Owner's family who occupy the House of the Owner within the Property as their principal residence.
- (y) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 3.1 of this Article may be delegated from the Owner to tenants or contract purchasers who occupy a House within the Property as their principal residence; provided, however, in the event of any such delegation by lease, contract or otherwise, the Owner shall not assert any right or exercise any easement of enjoyment delegated as allowed herein unless and until that delegation terminates.
- (z) <u>Guests</u>. The Common Elements may be utilized by guests of Owners, tenants, or contract purchasers subject to the rules and regulations of the Association as may be established by the Board from time to time, including, without limitation, rules limiting the number of guests.

NOTWITHSTANDING AND WITHOUT LIMITING THE FORGOING, EVERY OWNER SHALL BE RESPONSIBLE AND LEGALLY LIABLE TO THE ASSOCIATION AND TO EVERY OTHER OWNER FOR THE ACTS AND

OMISSIONS OF ANY PERSON OR ENTITY WHO IS PRESENT ON THE PROPERTY AT THE REQUEST OF, WITH THE PERMISSION OF OR WITH THE KNOWLEDGE OR CONSENT OF THE OWNER OR OWNER'S TENANT.

Section 3.2 Title to Common Elements/Transfer or Dedication by Association. Declarant covenants for itself, its successors, and assigns, that it will convey or cause the conveyance of fee simple title to the Common Elements within the Property to the Association as provided in Section 2.3. Each such conveyance shall be subject to the rights, restrictions, and easements set forth in this Declaration, including the easements referenced in Article X, as well as other public and private access, utility and drainage easements, easements, and rights-of-way. The Association may dedicate or transfer all or any part of the Common Elements if the transfer or dedication is approved by the Declarant during the Declarant Control Period and thereafter by Members who are entitled to vote not less than sixty-seven (67%) percent of the votes (Classes A & B) in the Association. For purposes of this section, "transfer" shall include giving or granting a mortgage or security interest in all or part of the Common Elements to any person or entity. During the Declarant Control Period, the Declarant may require the Association and the Board to reconvey any portion of the Common Elements previously conveyed to the Association to the Declarant or Declarant's designee at any time and for any purpose, including, without limitation, in connection with Declarant's exercise of Development Rights or Special Declarant Rights or in connection with changes made by the Declarant pursuant to Section 12.4 herein or to allow for changes, modifications, and adjustments to the development plan for the Project.

Section 3.3 Maintenance. Common Elements shall be maintained by the Association as more particularly detailed in Section 8.1. Maintenance of the Common Elements shall include maintenance, repair, and reconstruction, when necessary, of all improvements located thereon. Common Elements conveyed to the Association in an unimproved and natural state may be maintained in the same state after it is conveyed to the Association.

Private Roadways, if any, shall be maintained by the Association. Public Roadways, if any, shall be maintained by the Association until a governmental entity or agency elects, in its discretion, to assume responsibility for Roadway maintenance. Maintenance of the Roadways shall conform, at a minimum, to the standard of maintenance (if one is ascertainable) which would be required by the governmental entity or agency having authority over the Roadway. Notwithstanding the forgoing, each Owner shall maintain that portion of the public right-of-way located between the property line of the Owner's Lot and the improved portion of the Roadway adjacent thereto, including, without limitation, all planting strips, but excluding sidewalks, all as more particularly provided in Article VITI.

The Association shall not be responsible for the maintenance of any House, Lot or any portion of any Lot or the improvements within the boundaries thereof except as specifically provided in **Section 8.1.** The Owners of such Lots shall be solely responsible for same.

Section 3.4 Reserve Fund(s). The Association may establish and maintain reserve fund(s) for the periodic maintenance, repair and replacement of all or a portion of the Common Elements and/or Roadways and/or to fund unanticipated expenses of the Association and/or to acquire equipment or services as may from time to time be deemed reasonable, necessary or desirable by the Board of Directors. Such reserve fund(s) shall be collected and maintained out of the Assessments, as

hereinafter provided in Article V. Assessments collected as reserves shall not be considered advance payments of Annual Assessments.

Section 3.5 Request for Governmental Maintenance of Public Roadways. The Declarant and after the termination of the Declarant Control Period, the Association may (but shall not be obligated to) request that the public Roadways be accepted for maintenance by a governmental entity or agency and should maintenance responsibilities not be accepted by any governmental entity or agency, the Association shall be solely responsible for the maintenance of the public Roadways as well as any private Roadways. THE DECLARANT MAKES NOW ARRANTIES OR REPRESENTATIONS REGARDING THE ACCEPTABILITY OF THE PUBLIC ROADWAYS OR ANY IMPROVEMENTS OR FACILITIES THEREON OR ADJACENT THERETO TO ANY GOVERNMENTAL ENTITY OR AGENCY. In the event the public Roadways are accepted for maintenance by any governmental entity or agency, the Association shall no longer have any obligation for their maintenance, repair or replacement and any public Roadway reserves may be used for general Association expenses or reserves. In the event the public Roadways are not accepted for maintenance by any governmental entity or agency within ninety (90) days after the date on which the public Roadways are submitted by the Declarant for acceptance, the Declarant may transfer and convey the public Roadways to the Association at any time thereafter,

ARTICLE IV

THE ASSOCIATION

Section 4.1 Automatic Membership. The Declarant, Builder(s) and all Owners shall automatically be Members of the Association and shall enjoy the privileges and be bound by the obligations contained in the Project Documents. Ownership of any fee or undivided interest in any Lot shall be the sole qualification for membership in the Association. Membership shall be appurtenant to and may not be separated from the ownership of any Lot. The Board may make reasonable rules regarding proof of ownership.

Section 4.2 Yoting and Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots and may not be separated from ownership of any Lot. Members shall be entitled to vote only on the issues, questions, actions, and matters which this Declaration, the Bylaws, or South Carolina law require be decided by a vote of the Members. There shall be three (3) classes of Members with respect to voting rights:

<u>Class A Members.</u> Class A Members shall be all Owners other than the Declarant and the Builder. Class A Members shall entitle to cast one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. However, the vote for such Lot shall be cast as the Owners thereof among themselves determine, but only one vote may be cast, and that vote shall not be split.

<u>Class B Member</u>. The Declarant shall be the Class B Member and shall be entitled to cast one (1) vote for each Lot owned by Declarant <u>and</u> four (4) votes for each Lot owned by a Class A Member at the time any vote is cast. The Class B Membership shall cease, and the Declarant shall become a Class A Member on the happening of any of the following events, whichever occurs first:

- (a) When the Declarant executes and records a written instrument in the County public registry terminating the Class B Membership; or
- (b) When the Declarant no longer owns any portion of the Property; or
- (c) On January 1, 2040.

Class CMember(s). Each Builder shall be a Class C Member and shall be entitled to cast one (1) vote for each Lot owned by Builder and four (4) votes for each Lot owned by a Class A Member at the time any vote is cast. A Builder's Class C Membership shall cease, and the Builder shall become a Class A Member on the happening of any of the following events, whichever occurs first:

- (a) When the Builder executes and records a written instrument in the County public registry terminating the Class C Membership; or
- (b) When the Builder no longer owns any portion of the Property; or
- (c) On January 1, 2040.

Section 4.3 Suspension of Voting Rights. Voting rights attributable to an ownership interest in a Lot shall be suspended, automatically and without requirement of notice or hearing, during any period that the Lot or the Owner thereof is delinquent in the payment of Assessments or is in violation of the Project Documents.

Section 4.4 Control by Declarant. Notwithstanding any other language or provision to the contrary herein or in the bylaws of the Association, Declarant hereby retains the right to appoint and remove any or all members of the Board of Directors of the Association, any officer or officers of the Association and any managing agent for the Association during the Declarant Control Period, The "Declarant Control Period" shall commence on the date this Declaration is recorded and shall continue until (i) Declarant and Builder(s) no longer own any portion of the Property or the Additional Land, or (ii) the date the Declarant, with the written consent of all Builder(s), executes and records a written instrument in the County public registry terminating the Declarant Control Period, whichever occurs first. Upon the expiration or termination of the Declarant Control Period, a special meeting of the Association shall be called to elect a new Board of Directors which shall undertake the responsibilities of running the Association. Once the new Board is elected, Declarant shall deliver to the Board or the managing agent, the books, accounts, and records, if any, kept by Declarant or the managing agent on behalf of the Association as well as any agreements or contracts executed by or on behalf of the Association which may still be in effect or operation. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove directors, officers and managing agents of the Association as provided in this section.

Notwithstanding the foregoing, the Declarant may, but shall have no obligation to, pennit the Members of the Association to elect some or all of the members of the Board of Directors as provided in the Bylaws during the Declarant Control Period ("Early Board Transition"). Any Early Board Transition allowed by the Declarant shall not affect the Declarant Control Period, shall not

change, reduce or eliminate any of the rights and powers reserved or granted to the Declarant in this Declaration or otherwise by law and shall be subject to any restrictions or limitations specified by the Declarant with respect to the Early Board Transition. Following any Early Board Transition, Declarant shall retain the right to remove and appoint all or any members of the Board of Directors as well as any of the officers of the Association and its managing agent and the right to veto or modify any actions taken by the Board of Directors or the officers during the Declarant Control Period.

Section 4.5 Association to Maintain Books and Records. The Association shall always maintain current copies of all Project Documents, all rules and regulations concerning the Property, as well as its own books, records and financial statements as required by the Act.

Section 4.6 Management and Other Agreements. The Association may be professionally managed and may enter into such agreements for the management, operation, and administration of the Project, with the individual, firm or entity that the Association deems appropriate and in the best interest of the Project from time to time. Should the Association enter into a management agreement for the Property as permitted herein, the manager (hereinafter referred to as "Independent Manager") shall obtain and always maintain Fidelity Insurance as provided in Section 7.1(c) of this Declaration.

Liability Limitations. Neither Declarant, nor any Builder, nor any Member, nor the Board, nor any officers, directors, agents or employees of any of them shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether or not such other Member was acting on behalf of the Association or otherwise. Neither Declarant, nor any Builder, nor the Association, nor their directors, officers, agents, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements, or portions thereof or for failure to repair or maintain the same. Neither the Declarant, nor any Builder, nor the Association nor any other person, firm or association making repairs or providing maintenance shall be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof. The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board from and against any and all loss, cost, expense, damage, liability, claim, action or cause of action resulting from the performance by the Board of its duties and obligations, excepting for any loss, cost, expense, damage, liability, claim, action or cause of action resulting from the gross negligence or willful misconduct of the person(s) to be otherwise indemnified.

Section 4.8 Safety and Security. Each Owner, tenant and occupant of a Lot, and their respective guests and invitees ("Person" or "Persons") shall be responsible for their own personal safety and the security of their property in the Project. The Association may, but shall not be obligated to, maintain, or support certain activities within the Project designed to enhance the level of safety or security which each Person provides for such Person's property. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Project, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Project, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or

protection for which the system is designed or intended. Each Owner acknowledges, understands and shall be responsible for informing each Person that the Association, its Board and committees and the Declarant are not guarantors of security or safety and that each Person using the Project assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

Section 4.9. Association Acceptance of Responsibility for Contracts, Permits Leases, Infrastructure Improvements and Facilities; Declarant Power of Attorney, The Association and the Board shall accept (a) assignment of any contracts and/or leases entered into by the Declarant with respect to the Property, (b) responsibility for the operation, repair, maintenance and replacement of infrastructure, improvements and/or facilities constructed and/or installed on the Propelty, including, without limitation, stormwater management facilities and infrastructure, and (c) the transfer of any permits issued with respect to any such infrastructure, improvements or facilities when and to the extent the transfer of any pelmit is requested, required or permitted by the Declarant or by any Local, state or federal office, agency, department or authority. Infrastructure, improvements, and facilities shall include, without Limitation, BMPs, retaining walls, amenities, structures, pools, walls, monuments, trails, streets and roads, landscaping, utilities, and drainage/storm water control systems. The officers of the Association shall immediately execute any documents which are requested or required by the Declarant or by any government authority or agency or which are necessary to facilitate and memorialize (a) the assignment of contracts and Leases entered into by the Declarant with respect to the Property to the Association, (b) the Association's acceptance of repair, maintenance and replacement responsibilities and/or (c) the transfer of permits to the Association as provided for herein. THE ASSOCIATION SHALL BE RESPONSIBLE FOR ANY COSTS, EXPENSES OR DAMAGES INCURRED OR SUSTAINED BY THE DECLARANT AS A RESULT OF ANY DELAY OR FAILURE BY THE ASSOCIATION OR ITS OFFICERS TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION 4.9, INCLUDING, WITHOUT LIMITATION, ANY ATTORNEYS' FEES INCURRED BY THE DECLARANT AS A RESULT OF ANY SUCH DELAY OR FAILURE.

Without limiting the rights of the Declarant or the obligations of the Association under this section, the DECLARANT SHALL HAVE THE POWER AND AUTHORITY TO EXECUTE ANY SUCH DOCUMENTS IN THE NAME OF THE ASSOCIATION AND AS ITS AGENT AND ATTORNEY-IN-FACT SHOULD THE ASSOCIATION OR ITS OFFICERS AND DIRECTORS FAIL OR REFUSE TO DO SO. The Declarant may also request and require that the officers and directors of the Association (including those appointed by the Declarant during the Declarant Control Period) execute, deliver and/or record powers-of-attorney or other written authorizations confirming the authority of the Declarant to act as the agent and attorney-in-fact of the Association as provided herein. The rights, powers and authority granted to the Declarant under this section may be exercised by the Declarant at any time and shall not be Limited to the Declarant Control Period.

ARTICLE V

OPERATION OF THE PROPERTY AND ASSESSMENTS

Section 5.1 Adoption of Budget: Creation of Lien and Personal Obligation for

Assessments. The Board shall, from time to time and at Least annually, prepare and adopt a proposed

budget for the Project, determine the amount of expenditures payable by the Owners to meet the proposed budget ("Common Expenses") and allocate and assess Common Expenses among the Owners, as provided in this Article V. The Common Expenses shall include such amounts as the Board deems necessary for the operation and maintenance of the Property and shall include, without limitation, amounts for purposes set forth in Section 5.2, amounts for permitted reserves and such amounts as may be necessary to make up any deficit for outstanding Common Expenses for any previous year.

- (a) <u>During the Declarant Control Period</u>, the proposed budget shall be approved by the Declarant and Builder(s) without any further vote, approval or consent from the Board or the Members.
- (b) After the termination of the Declarant Control Period, the Board shall mail or electronically deliver a summary of the proposed budget and a notice of a meeting to consider ratification of the budget to all Members. Such ratification meeting shall be held not less than ten (10) nor more than sixty (60) days after the budget summary and notice are mailed or electronically delivered. There shall be no requirement that a quorum be present at the meeting. The proposed budget is ratified unless, at that meeting, a majority of all the Members in the Association vote to reject the proposed budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board as provided herein. Should circumstances wanant an amendment or change in the budget during any calendar year, the Board shall formulate a revised budget and submit that budget to the Members for ratification as provided herein.

Any surplus funds remaining after payment of or provision for Common Expenses shall be retained by the Association and held as reserves for the payment of future Common Expenses as the Board of Directors, in its sole discretion, deems appropriate.

Each Owner of any Lot or portion of the Property (but neither Declarant nor any Builder), by acceptance of a deed therefor, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges of the Association, (2) Supplemental Annual Assessments, (3) Special Assessments, and (4) Special Individual Assessments (collectively, "Assessments"), such Assessments to be established and collected as hereinafter provided. Each Assessment, together with interest, costs, and reasonable attorneys' fees, shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal financial obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent Assessments shall not pass to his successors in title (other than as a lien on the Lot) unless expressly assumed by them.

DECLARANT AND BUILDER(S) SHALL BE EXEMPT FROM ALL ASSESSMENTS RELATING TO ANY PORTION OF THE PROPERTY.

Section 5.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and other residents of the Property to the fullest extent authority or responsibility is granted to the Association hereunder including, and without limiting the generality of the foregoing, for: (i) the leasing, improvement, maintenance and operation of the Common Elements including, without limitation, that specified in Section 3.3 and Section 8.1; (ii) the repair and maintenance of Lots to the extent the Association is required to repair and/or maintain Lots or improvements thereon under Section 8.1; (iii)

provision of services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements, including but not limited to maintenance and landscaping; (iv) payment of insurance premiums for the insurance policies maintained by the Association in accordance with the Project Documents; (v) payment in connection with the street lights (if any) or other utilities serving the Property; (vi) payment of management fees to a property manager in accordance with Section 4.6; (vii) the employment of attorneys, architects, accountants and other professionals to represent or assist the Association deemed necessary or appropriate by the Board; (viii) the cost of utilities and fuel used in operating facilities in the Common Elements; (ix) the maintenance and upkeep of all Roadways in the Property as provided in this Declaration; (x) for reserves as permitted in Section 3.4; (xi) the payment of charges and fees due and owing under any Bulk Service Contract(s) entered pursuant to Section 6.4; and (xii) to carry out all other purposes and duties of the Association and/or the Board as provided in the Project Documents.

- Section 5.3 Payment of Annual Assessments: Due Dates and Maximums. Each Owner of a Lot shall pay to the Association Annual Assessments as hereinafter set forth.
- Annual Assessments provided for herein shall commence as to any Lot as of the date of (a) the conveyance by Declarant or Builder to an Owner of such Lot. The Annual Assessment for the first year in which a Lot is subject thereto shall be prorated based upon the number of days remaining in the applicable billing period from the date of such conveyance. The Annual Assessment amount for each and every year shall be an amount set by the Board of Directors, in accordance with the tenns of this Article V. Annual Assessments shall be due and payable either in full and in advance or in installments as determined by the Board. Except as expressly provided herein below with respect to Annual Assessments during the Declarant Control Period, the Board shall fix the amount of the Annual Assessment as to each Lot for any calendar year and shall send written notice of the amount and due date of each installment of such Annual Assessment to each Owner at least thirty (30) days prior to the due date for payment of the assessment or the first installment thereof; provided, however, the fiailure of the Association to send, or of an Owner to receive, such notice shall not relieve any Owner of the obligation to pay Annual Assessments. The Declarant shall not be obligated to pay Annual Assessments in any year except with Declarant's prior written approval. Notwithstanding the foregoing, for calendar years beginning during the Declarant Control Period, Declarant shall fund the Annual Expense Shortfall (defined below) with direct payments to the Association. For purposes of this Section, "Annual Expense Shortfall" shall mean the amount by which the annual expenses of the Association (excluding any reserves) exceed the total amount of the Annual Assessments paid by Owners other than the Declarant.
- (b) For calendar years beginning during the Declarant Control Period, the Annual Assessment amount for each year shall be the amount set by the Declarant (with the consent of any Builder(s) owning any portion of the Property). Annual Assessments during the Declarant Control Period shall not be subject to any maximum, nor shall they require the consent or approval of any Owner or Member.
- (c) For calendar years beginning upon or after the termination of the Declarant Control Period, Maximum Annual Assessment and Annual Assessment amounts shall be set as follows:
- (i) The Maximum Annual Assessment for the first calendar year beginning on or after the termination of the Declarant Control Period shall be equal to the amount of the actual Annual

Assessment set and established by the Board as provided in Subsection (a) above for the preceding year <u>plus</u> ten percent (10%). In each subsequent calendar year, the Maximum Annual Assessment may be increased by the Board (without any vote of or approval from the Members) by an amount equal to the previous year's Maximum Annual Assessment times ten percent (10%).

- (ii) The Maximum Annual Assessment applicable to each Lot may be increased above the amount set forth in Subparagraph (i) of this Section 5.3(c) by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration, plus the written consent of Declarant during the Declarant Control Period.
- (iii) The Board shall levy an Annual Assessment applicable to each Lot based on the budget ratified as provided in Section 5.1. The Annual Assessment levied by the Board shall not exceed the Maximum Annual Assessment established as provided in and modified pursuant to Subparagraphs (i) and (ii) of this Subparagraph (c). If the Board levies an Annual Assessment which is less than the Maximum Annual Assessment for any calendar year and later determines during that calendar year that any of the responsibilities, duties or functions of the Association cannot be fully funded by the Annual Assessment levied, the Board may levy a Supplemental Annual Assessment, provided that the sum of the Annual and Supplemental Annual Assessments in any year is consistent with the ratified budget, as modified or changed, and does do not exceed the applicable Maximum Annual Assessment for that year as established and provided in this Subparagraph (c).
- (d) With respect to any Lot conveyed by Declarant or Builder to an Owner, the purchaser of such Lot shall pay to the Association at closing the amount of the Annual Assessment for the installment period in which the closing occurs on such Lot, prorated based upon the number of days remaining in such installment period. With respect to any Lot conveyed by any Owner (and not by Declarant or any Builder), the amount of the Annual Assessment applicable to such Lot for the installment period in which such closing occurs shall be prorated between the buyer and seller thereof as of the date of closing of such conveyance.
- (e) During the Declarant Control Period, and notwithstanding anything else to the contrary, all Annual Assessments levied by the Association must be approved by the Declarant and any Builder(s) owning any portion of the Property at the time the Annual Assessment is levied.
- Section 5.4 Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy a special assessment ("Special Assessment") for the purpose of defraying, in whole or in part, the cost of (i) the construction of any Common Elements improvements which are not originally constructed by Declarant or (ii) the reconstruction, repair or replacement of the Common Elements, including any improvements located thereon or improvements on Lots which the Association is expressly required to repair and maintain under Section 8.1, if any, provided that:
- (a) NEITHER DECLARANT NOR ANY BUILDER SHALL BE OBLIGATED TO PAY ANY SPECIAL ASSESSMENTS.
- (b) <u>During the Declarant Control Period</u>, and notwithstanding anything else to the contrary, Special Assessments need only be approved by the Declarant and any Builder(s) owning any portion of the Property at the time the Special Assessment is levied.

- (c) After the termination of the Declarant Control Period, all Special Assessments must be approved by Members holding at least sixty-seven percent (67%) of the votes appurtenant to the Lots which are then subject to this Declaration.
- Special Individual Assessments. In addition to the Annual Assessments and Section 5.5 Special Assessments authorized above, the Board shall have the power to levy a special assessment applicable to any particular Owner(s) ("Special Individual Assessment") (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Elements, including any improvements located thereon, which is occasioned by any act or omission of such Owner(s), members of such Owner's family or such Owner's agents, guests, employees, tenants or invitees and not the result of ordinary wear and tear, (ii) for payment of costs incurred by the Association to bring any Lot into compliance with the Project Documents, including, without limitation, the Community Wide Standard provided for in Section 8.2; or (iii) for payment of fines, penalties or other charges imposed against any particular Owner related to such Owner's failure to comply with the terms and provisions of this Declaration of the Project Documents as permitted and provided for in Section 14.3. The due date and payment terms (if any) for any Special Individual Assessment levied shall be fixed by the Board. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Assessment is due NEITHER DECLARANT NOR ANY BUILDER SHALL BE OBLIGATED TO PAY ANY SPECIAL INDIVIDUAL ASSESSMENT.
- Section 5.6 Allocation of Assessments and Common Expense Responsibilities. Except as provided herein, Annual Assessments, Supplemental Annual Assessments and Special Assessments levied by the Association shall be assessed equally to and against all Lots, excepting and excluding Lots owned by the Declarant or Builder. Notwithstanding the forgoing, the Board of Directors, in its discretion, may assess any Common Expense or portion thereof benefiting fewer than all the Lots to and against the Lot or Lots benefitted. Special Individual Assessments shall be assessed to and against the Lot(s) owned by the Owner(s) against whom they are levied.
- Effect of Nonpayment of Assessments: Remedies of the Association. If any Assessment, or installment the Leof, is not paid within thirty (30) days after its due date, the Board may, at its option and without further notice, declare the entire unpaid Assessment immediately due and payable. Unpaid Assessments shall bear interest from and after the due date at the rate of eighteen percent (18%) per annum, not to exceed, however, the maximum rate permitted by law. In addition, the Association may impose a charge for late payment of any Assessment up to but not exceeding \$45.00 per month, which late charge may be imposed once in any month during which any Assessment, interest, late charge, or other previous charge (or any portion thereof) remains unpaid. The Association shall also be entitled to recover fees and penalties for returned checks as permitted by law and any administrative/collection service fees charged to the Association by its management company or any third-party agent providing collection services. Interest, late charges, administrative/collection service fees, returned check fees as well as reasonable attorney fees and costs shall be added to and collectible with and in the same manner as Assessments. Assessments levied and late charges, administrative/collection service fees, interest, returned check fees, attorney's fixes and costs allowed herein shall be the personal obligation of each Owner and a continuing lien upon the Owner's Lot. The Association's lien shall be superior to all other liens and encumbrances on the Owner's Lot, except for (a) liens for ad valorem taxes, (b) liens for all sums unpaid on a Mortgage, or (c) liens for all sums on

any mortgage to Declarant duly recorded in the County public registry and all amounts advanced pursuant to such mortgage and secured thereby in accordance with the terms of such instrument.

The Association may enforce Assessment obligations as permitted by law, including, without limitation, by filing and foreclosing a claim of lien in the same manner as a mortgage and/or by bringing an action at law against the Owner personally obligated to pay the assessment. Each Owner, by his acceptance of a deed to a Lot, expressly grants to and vests in the Association and its agents the right and power to file a claim of lien and to bring such action or foreclosure. Foreclosure may be accomplished in an action brought in the name of the Association in the same manner that a foreclosure of a mortgage would be brought or as otherwise provided by law, and each Owner grants to the Association the right to foreclose any such charge or lien. The Association, acting on behalf of the Owners, shall have the power to bid on any Lot and to acquire, hold, lease, mortgage and/or convey the same. NO OWNER MAY WAIVE OR OTHERWISE ESCAPE LIABILITY FOR THE ASSESSMENTS PROVIDED FOR HEREIN BY NON-USE OF THE COMMON ELEMENTS, BY REJECTION OF ASSOCIATION SERVICES, OR BY ABANDONMENT OF HIS LOT.

During any period in which an Owner is in default in the payment of any installment of an Assessment levied by the Association, the voting rights of the Owner in the Association, the Owner's right to the use of the Common Elements and/or any other services, privileges or facilities which are provided by the Association (except the right of access to the Owner's Lot) are automatically suspended without the necessity of any notice, hearing or other formal process until such Assessment and all related fees and charges are paid in full. During any period in which an Owner is in default in the payment of any installment of an Assessment levied by the Association, the Board may also notify the owner and holder of any Mortgage of a delinquency relating to the Lot encumbered by that Mortgage.

Section 5.8 Exempt Property. The following parts of the Property shall be exempt from assessment by the Association: (a) the Roadways; (b) portions of the Property owned by the Declarant, any Builder or the Association; and (c) any part of the Property dedicated to and accepted by any public or governmental authority (the recording of this Declaration shall in no way be deemed a dedication of, or an officer to dedicate, any part of the Property to any such authority).

Section 5.9 Voluntary Conveyance; Estoppels. Except as provided in Section 5.8, the lien for Assessments of the Association created in this Article V shall not be affected by any conveyance of a Lot and shall remain a continuing charge on that Lot and a continuing lien which may be foreclosed as provided in Section 5.7. Any grantee in a voluntary conveyance of any Lot shall be entitled to a statement from the Board setting forth the amount of the unpaid assessments due the Association with respect to the Lot and such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid Assessments made by the Association against the grantor in excess of the amount set forth in that statement.

Section 5.10 Capital Contribution Payable by Transferees. In addition to assessments and other charges payable as provided in this Declaration, the buyer/transferee of any Lot (other than a Builder) shall pay a capital contribution directly to the Association (and not to any third-party) at the time of closing. Capital contributions not paid at closing may be collected and enforced by the Association in the same manner as assessments under Article V. During the Declarant Control Period, the amount shall be set by the Declarant, with the consent of any Builder(s), provided, however, that

the capital contribution during the Declarant Control Period shall be not less than fifty percent (50%) of nor more than one hundred percent (100%) of the Annual Assessment amount for the year in which the capital contribution is collected. After the termination of the Declarant Control Period, the amount shall be set by the Board, in its sole discretion, and may be changed by the Board from time to time but shall not exceed the amount of the Annual Assessment levied for the year in which the transfer occurs. NOTWITHSTANDING THE FOREGOING, ALL TRANSFERS FROM THE DECLARANT TO A BUILDER OR SUCCESSOR DECLARANT ARE EXEMPTED AND EXCLUDED, AND NO BUILDER OR SUCCESSOR DECLARANT SHALL BE REQUIRED TO PAY ANY CAPITAL CONTRIBUTION TO THE ASSOCIATION.

Section 5.11 Fee Based Services and Access Authorized. The Association may, in its discretion, charge user fees for services or access to portions of the Common Elements and may establish terms and conditions for payment of those user fees. User fees charged shall be in addition to Assessments levied and payable under this Article.

Section 5.12 Payments by Owners. In the event a payment is tendered that is less than the total due and owing by the Owner to the Association, the partial payments shall be applied to oldest charges owed first whether those charges are assessments, fines, interest, late charges or other fees or charges authorized by law or in the declaration and regardless of any request or designation made by the Owner at the time the payment is made. At any time, an Owner fails to pay all amounts due and owing on or before the date payment is due, the Association may, in its discretion, reject and return payments that are insufficient to pay the balance due in full and/or may require that payments thereafter be made in certified funds or other form.

ARTICLE VI

UTILITIES

Section 6.1 Water System. Every Lot shall be connected to a public utility water system. Private wells may not be drilled or installed on any Lot for any purpose.

<u>Section 6.2</u> <u>Sewage Disposal System.</u> Every Lot shall be connected to a public utility sewage disposal system.

Section 6.3 Street Lighting. Declarant may install or contract with any public utility and/or private street lighting provider to install and operate street lighting within the Project ("Street Lights"). All costs incmTed in connection with the installation, operation, maintenance, and replacement of Street Lights shall be paid as part of the Common Expenses of the Association. Declarant may enter into contracts, agreements and/or leases for the acquisition, installation, maintenance and/or operation of the Street Lights in its name or in the name of the Association, as the Declarant, in its sole discretion, deems appropriate. Declarant may require the Association to pay any upfront or initial costs or expenses incurred or, in its sole discretion may advance payment of some or all of those costs in exchange for a promissory note obligating the Association to repay amounts advanced by the Declarant upon such terms as the Declarant, in its sole discretion, deems reasonable. Contracts, agreements and/or leases executed by and between the Declarant and any public utility, person, or entity to provide, install, operate, serve, maintain or replace Street Lights may be assigned by the Declarant to the

Association at any time without the consent or approval of the Association or its Board of Directors. At the time any contracts, agreements and/or leases are assigned by the Declarant to the Association, the Declarant may require the Association to reimburse for any cost or expenses incurred in connection with the Street Lights by the Declarant prior to the assignment.

Section 6.4 Bulk Services and Bulk Service Contract(s). The Declarant or the Association may contract with third persons or entities for the provision of bulk services to the Project for the benefit of the Owners, including, without I imitation, trash collection, telephone, internet, and broadcast television services, as the Declarant or the Board of Directors of the Association, acting in its or their sole discretion, deem reasonable and appropriate from time to time ("Bulk Service Contract(s)"). Payments due and owing under any Bulk Service Contracts shall be paid using Assessments levied and collected as provided in Article V hereof and no Owner shall be permitted to exempt him/herself from any such Assessment by non-use of or refusal to accept any services which are contracted for in any Bulk Service Contract.

Bulk Service Contracts for the Project may be entered into in the name of the Declarant or in the name of the Association. Bulk Service Contracts entered into in the name of the Declarant may be assigned (in whole or in part) by the Declarant to the Association at any time, and such assignment or partial assignment shall not require the consent or approval of any other person or entity, including, without limitation, the Association's Board of Directors, any officer of the Association and/or any Owner.

Each Owner acknowledges that interruptions in services provided pursuant to Bulk Service Contracts will occur from time to time. Declarant and the Association shall not be liable for and shall not be obligated to provide any Owner or other person with any compensation, or refund, rebate, or offset of any applicable fee(s) or Assessment, as a result of any interruption in services, regardless of whether or not such interruption is caused by reasons which are within the Association's or the service provider's control.

Notwithstanding anything else to the contrary, Declarant is expressly authorized to contract for, to receive and to retain direct compensation from the provider of any service(s) provided pursuant to any Bulk Service Contract. Declarant's right to compensation hereunder shall be perpetual and no provision in any Bulk Service Contract or other agreement which provides for such compensation to Declarant shall be cancelled, abridged, or modified in any way in the absence of Declarant's prior written consent thereto.

ARTICLE VII

INSURANCE AND RECONSTRUCTION

- <u>Section 7.1</u> <u>Association Insurance.</u> The Association shall procure and maintain, or cause to be maintained, insurance in accordance with the following provisions:
- (a) Property and Casualty Insurance. The Association shall obtain and maintain at all times a policy or policies of property insurance covering all Common Elements and all improvements located thereon in an amount not less than one hundred percent (100%) of the replacement cost of such

improvements at the time such insurance is purchased and at the time of each renewal thereof, exclusive of the costs of land, excavation, paving, foundations and other normally excluded items. The Association shall only be required to provide Property and Casualty Insurance covering the Roadways and improvements thereon (i) during any period that the Association is responsible for maintaining the Roadway or (ii) if the Roadways are private. Said insurance may provide for coinsurance by the Association of not greater than twenty (20%) percent and/or may include commercially reasonable deductibles (including percentage loss and/or fixed dollar deductibles) as the Board, acting in its sole discretion, determines are reasonable and appropriate from time to time. The Board shall, at least annually, review the insurance coverage required herein and determine the current replacement cost of such improvements, including, without limitation, fixtures, personal property and supplies. Such coverage shall provide protection against loss or damage by fire or other hazards covered by a standard extended coverage endorsement, windstorm and water damage, vandalism and malicious damage and all perils covered by a standard "all risk" endorsement and (if reasonably available) shall contain the following provisions:

- (1) standard "Agreed Amount" and "Inflation Guard" endorsements;
- (2) construction code endorsements if the Common Elements becomes subject to construction code provisions which would require changes to undamaged portions of any building thereby imposing significant costs in the event of partial destruction of such building by an insured peril;
- (3) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Owners and their employees, agents tenants and invitees;
- (4) a provision that the coverage will not be prejudiced by the act or neglect of one or more Owners when said act or neglect is not within the control of the Association or by any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control; and
- (5) a provision that coverage cannot be canceled, invalidated, or suspended on account of the conduct of any director, officer or employee of the Association (i) without prior demand in writing that the Association cure the defect, and (ii) the allowance of a reasonable time thereafter within which the defect may be cured.
- (b) Liability Insurance. The Association shall obtain and maintain a policy of commercial general liability insurance in such limits as the Association may, from time to time, determine, covering each member of the Board, the Independent Manager, if any, and each Owner with respect to liability arising out of the operation, use, ownership, maintenance, or repair of the Common Elements. The liability insurance policy shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner, and shall provide that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and to all additional insureds. The Board shall review such limits annually.

- fidelity Insurance. The Association shall procure and maintain, or cause to be maintained, a policy or policies of insurance coverage to protect against dishonest acts on the part of officers, directors, volunteers and employees of the Association and any other persons who handle or are responsible for the handling of funds of the Association. Any Independent Manager shall also acquire and maintain fidelity insurance as required herein and under Section 4.6. Any such fidelity insurance policy must name the Association as the named insured and shall be written in an amount as may be determined by the Board, but in no event less than one-half (1/2) the total Annual Assessments levied during the previous year plus the total of all reserve funds, if any.
- (d) Other Insurance. The Board, or its duly authorized agent, shall have the authority to and shall obtain and maintain in effect such other insurance coverages as the Board shall determine from time to time to be desirable, including, without limitation, directors' and officers' liability insurance.
- fe) Insurance Unavailable. In the event the insurance described in Subsections (a) through (c) is not reasonably available, the Association promptly shall cause notice of that fact to be hand-delivered or sent by United States first class mail to all Owners. For purposes of this subsection, insurance will be deemed "not reasonably available" if the cost of that insurance is prohibitive considering the Association's budget and available resources. In the event the Association determines any such insurance to be "not reasonably available," it shall take reasonable steps to obtain insurance for the benefit of the Association and the Owners which is as closely equivalent to the insurance coverage required in Subsections (a) through (c) that is reasonably available.
- Section 7.2 Premiums and Deductibles. Premiums upon insurance policies purchased by the Association, and any amounts paid as a result of a deductible, shall be paid by the Association as a Common Expense of the Association, provided, however, that deductibles and/or expenses paid or incurred by the Association as a result of the negligent or intentional act or omission of any Owner, or that of his agents, guests, invitees or family members, shall be charged to and paid by the Owner as a Special Individual Assessment pursuant to Section 5.5. All such premiums shall be paid by the Association at least thirty (30) days prior to the expiration date of such policies.
- Section 7.3. General Standards. All insurance policies maintained by the Association under this Article VII shall be written with a company or companies licensed to do business in the State of South Carolina. All insurance policies shall be written for the benefit of the Association and shall be issued in the name of and provide that all proceeds thereof shall be payable to the Association. Notwithstanding any of the foregoing provisions and requirements relating to insurance, the Association's authorized representative who has the authority to negotiate losses under any policy providing such insurance may be named as an insured.
- Section 7.4 Insurance Proceeds. The Association shall use the net proceeds of property and casualty insurance to repair and/or replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of property and casualty insurance paid to the Association remaining after satisfactory completion of repair and replacement shall be retained by the Association. If the insurance proceeds received by the Association are insufficient to reimburse, to repair and/or replace any damage or destruction to person or property, the Board may levy a Special Assessment or Special Individual Assessment, as appropriate under the circumstances, to cover the deficiency.

Section 7.5 Owner's Property. By virtue of taking title to a Lot within the Project, each Owner acknowledges that neither the Association nor Declarant has any obligation to provide any insurance for any portion of such Lot or any House or other property located thereon. Neither the Association nor Declarant shall be liable in any manner for the safekeeping or condition of any personal property belonging to or used by any Owner or his family, tenants, guests or invitees, located on or used at the Common Elements or for any damage or loss to any personal property of any Owner, his family, tenants, guests or invitees located on or used at the Common Elements. Except as specifically provided herein, each Owner shall be solely responsible for his Lot including, without limitation, the House and all other improvements thereon, and his personal property and for any damage thereto or loss thereof, and shall be responsible for the purchase of, at such Owner's sole cost and expense, any liability or other insurance for damage to or loss of such property.

Section 7.6 FNMA.FHA or VA Insurance Requirements. Notwithstanding any other provision contained in this Article or this Declaration, the Association is authorized to obtain and maintain insurance sufficient to satisfy the insurance requirements of the Federal National Mortgage Association ("FNMA"), the Federal Housing Administration ("FHA") and the Veteran's Administration ("VA") applicable to the Project, as those requirements and standards may be modified or changed from time to time.

ARTICLE VIII

MAINTENANCE OF PROPERTY

Section 8.1 Maintenance by Association. The Association shall be responsible for the operation, maintenance and repair of the Common Elements as provided in Section 3.3. In addition, the Association shall be responsible for the maintenance and repair of all Roadways until they are accepted for maintenance by a governmental entity or agency. Notwithstanding any references or notations appearing on the Plat, the Association shall only be responsible for the maintenance of easements located on the Common Elements except to the extent the Association is assigned maintenance responsibility for easements on Lots in this Declaration. Notwithstanding the foregoing, the Association shall not be responsible for the maintenance or repair of damage caused, in whole or in part, by the negligent or intentional act or omission of any Owner, or that of his agents, invitees, guests or family members and any costs or expenses incurred by the Association for such maintenance or repairs shall be the responsibility of that Owner and may be charged to that Owner as a Special Individual Assessment under Section S.S.

Notwithstanding anything else to the contrary, the Association shall have no obligation to repair or maintain any portion of any Lot or any House or other improvement located thereon except as follows:

(a) The Association shall be responsible for maintaining the improvements and facilities located within the storm water and public drainage easements which appear on the Plat or are established as provided in Section 10.6 which serve portions of the Property other than Lot on which they are located. The Association's repair responsibility under this subsection shall include all pipes, culverts and catch basins installed on a Lot and within an

established easement that serve portions of the Property other than the Lot on which they are located, including any settlement or subsurface collapse that occurs as a result of a failure of any component or improvement which is part of te storm water management or public drainage system.

- (b) Except as provided otherwise herein, the Association shall maintain, repair and replace all retaining walls constructed by the Declarant anywhere on the Property, including the Lots, as well as all the surfaces, foundations, structures and improvements which are part of or provide support for the walls ("Retaining Walls"). The costs and expenses incurred by the Association to maintain, repair and/or replace the Retaining Walls shall be Common Expenses. The Declarant reserves and grants to the Association an easement which extends 15' from the sides/faces and the ends of each Retaining Wall located on the Property ("Retaining Wall Easement") for the purpose of allowing the Declarant and/or the Association to maintain, repair, or replace each Retaining Wall when necessary. No Owner, occupant, guest, or invitee shall in any way interfere with or hamper the Declarant and/or the Association or their employees, contractors, successors or assigns in maintaining, repairing, or replacing the Retaining Walls. Declarant also reserves and grants to the Association an easement over the Property, including all Lots, for the purpose of providing access to the Retaining Walls and the Retaining Wall Easements reserved and granted herein. Notwithstanding the foregoing, any retaining wall that is located entirely within the boundaries of a single Lot shall be maintained, repaired and replaced by the Owner of the Lot on which the retaining wall is located, and the Association shall have no responsibility for any such wall or part thereof.
- (c) The Association shall maintain all sidewalks constructed on the Property, including those located on Lots, unless and until the responsibility for maintaining the sidewalks is assumed and accepted by a governmental entity or agency.

Section 8.2 Maintenance by Owners: Establishment of Community-Wide Standard. The Owner of any Lot (but neither Declarant nor any Builder) shall maintain at such Owner's sole cost and expense, (i) the Lot(s) owned by such Owner, including the House and any other improvements located thereon, (ii) the area between any Lot line and the paved or improved portion of any public Roadway right of way adjacent to the Lot(s) (including any vegetation, landscaping and street trees but excluding the sidewalks) and (iii) all easements located on the Lots in compliance with the covenants, conditions and restrictions contained in this Declaration and in compliance with the Community-Wide Standard ("CWS"); provided, however, that Owners of Lots shall have no responsibility for the maintenance of their Lot or the House or improvements constructed thereon or the adjacent public Roadway right-of-way to the limited extent that specific maintenance and repair responsibilities are expressly assigned to the Association in this Declaration.

The CWS shall be established and may be expanded, modified, and amended by the Board as provided below. At a minimum, the CWS shall require the following:

- (a) Prompt removal of all litter, trash, refuse and waste;
- (b) Prompt removal of trash, refuse, debris and weeds from all lawns, shrub beds, improved natural areas and landscaping;

- (c) Full and continuous compliance with all governmental health and police requirements;
- (d) Pruning of all trees and shrubs at least once every six (6) months in order to keep vegetation neatly and evenly trimmed;
- (e) Mowing of all lawn and all turf areas for which Owner is responsible, if any, so that grass does not exceed four (4) inches in height;
 - (f) Regular watering of the Lot to keep lawn and vegetation alive;
 - (g) All exterior lighting and mechanical facilities must be kept in working order at all times;
 - (h) Prompt removal and/or replacement of any dead plant material;
- (i) Prompt repair of cracked, broken, or damaged areas in parking areas and driveways and to prompt removal of vegetation from parking areas and driveways;
- U) Prompt repainting, refinishing, and/or repair of any part of the exterior of the House and all other improvements on the Lot that fades, chips, cracks, peels, discolors or otherwise deteriorates;
- (k) Prompt repair or replacement of any damage to the House and all other improvements on the Lot. If any House or other improvement on a Lot is damaged or destroyed by fire or other casualty, then the Owner of the Lot on which the damaged House or improvement is situated must repair and restore such damage or, in the alternative, remove the damaged House or improvement and restore the Lot to its condition existing prior to the construction of such House or improvement within six (6) months following the date such damage or destruction occurs;
- (1) Maintenance of all portions of the Lot which are not improved by an impervious surface or a structure with approved turf, vegetation, or groundcover;
 - (m) Barren earth shall not be exposed anywhere on a Lot;
- (n) Prompt removal and replacement of any diseased, dead or dying plants, turf, shrubs, or trees (regardless of size);
- (o) Prompt repair or replacement of any exterior building surface or component on the House or any other improvement on the Lot, which is missing, broken or otherwise in a state of disrepair;
- (p) Items to enhance the outdoor usability of a House, or items used to decorate a House, shall not have obvious missing parts, be broken, or otherwise be in a state of disrepair and must be immediately repaired or removed from sight until repaired. Examples of such items would be outdoor furniture, flower planters, patio umbrellas, banners, flags, and holiday decorations; and

(q) Decks or other natural wood improvements, such as pergolas and arbors, shall not have any unprotected exposed wood.

For purposes of the CWS, any requirement that an Owner must take "prompt" action shall be understood to require that the Owner take the required action within ten (10) days after the Association mails written notice of the need for the required action to the Owner at his/her address of record with the Association.

In addition to (a)-(q) above, the Board may adopt and establish other standards and requirements in a separate CWS document. The CWS may be modified, expanded, or amended by the Board from time to time without any approval from the Members. Any separate CWS document shall be recorded as required by South Carolina law and shall be made available to any Member on request. Notwithstanding anything contained herein to the contrary, the CWS shall apply to each Lot only upon and after the conveyance of such Lot by Declarant to an Owner who acquires the House and Lot for residential use.

If an Owner of any Lot has failed in any of the duties or responsibilities of such Owner as set forth herein, then the Board and/or Declarant may give such Owner written notice of such failure and such Owner must perform the care and maintenance required or otherwise perform the duties and responsibilities of such Owner as described herein within ten (10) days after receiving such notice. Notice shall be deemed to have been received upon deposit in an official depository of the United States mail, addressed to the party to whom it is intended to be delivered, and sent by certified mail, return receipt requested or when sent by email to the Owner's email address. Provided, however, this cure period may be extended for a time not to exceed sixty (60) days so long as the Owner shall have commenced action to cure and diligently pursues completion of the same. If the Owner fails to cure the nonconformity or violation within the period specified, the Declarant and/or the Association may enter the Lot and cure the nonconformity or violation, and all costs and expenses incurred by the Declarant, or the Association may be charged to the Owner and against the Lot as a Special Individual Assessment pursuant to Section 5.5. The Association's rights under this paragraph are in addition to the Association's power and authority to impose administrative fines and to suspend voting rights, privileges and/or services for violations as provided herein and in Article XIV.

In the event the Association incurs costs or expenses in connection with the investigation of conditions which require maintenance or repair, and it is determined that the repair and maintenance needed is the responsibility of the Owner, the Association may recover those investigatory costs and expenses from the responsible Owner as a Special Individual Assessment.

ARTICLE IX

ARCHITECTURAL AND LANDSCAPING CONTROL

Section 9.1 General. No Improvements (as defined in Section 9.5 below), including, without limitation, site preparation on any Lot, change in grade, drainage, or slope of any Lot, or erection, alteration or addition to or of any building situated upon the Property, erection of, or changes or additions of or to fences, hedges, walls and other structures, any landscaping, or any cutting of trees on any Lot, shall be commenced, erected, installed or maintained on any portion of the Property or be

changed, modified, altered, enlarged, or expanded until: (a) the Reviewer (as defined herein) has received and reviewed the plans and specifications therefor and the location, materials, size and design of such Improvements and has given its written approval in accordance with the terms, requirements and procedures set forth in this Article and any Architectural and Landscape Guidelines. In addition to any standards established pursuant to this Declaration, Declarant may establish or apply other or different architectural and landscaping control standards, guidelines, and restrictions regarding various Phases or sections of the Property. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, THE PROVISIONS OF TIILS ARTICLE IX SHALL NOT APPLY TO THE CONSTRUCTION OF ANY IMPROVEMENTS COMMENCED, ERECTED, MODIFIED, OR MAINTAINED BY DECLARANT OR ANY BUILDER ON ANY PART OF THE PROPERTY.

Approval of an Improvement may be conditioned upon commencement and/or completion within specified periods or by specified dates. If no specific period is specified, every Improvement must be commenced within six (6) months of the date approved and if not, a new written approval must be requested and obtained as provided herein.

Section 9.2 Designation of the Reviewer

Control Period, the Reviewer shall be the Declarant and/or persons appointed, from time to time, by Declarant. Control of architectural and landscaping issues and decisions shall remain vested in Declarant until the Declarant releases in writing its right to review some or all architectural or landscaping requests with respect to one or more of the Lots and allows some or all architectural or landscaping requests submitted thereafter to be reviewed by the Board or the Architectural Review Board ("ARB") as provided for in subsection (b) below. The Declarant may revoke any prior release of its right to review architectural or landscaping requests, in whole or in part, at any time during the Declarant Control by giving written notice of revocation to the Board or the Architectural Review Board. Nothing herein shall require the Declarant to release its Reviewer status with respect to any Lot prior to the termination of the Declarant Control Period, it being the Declarant's right to act as the Reviewer with respect to all of the Property unless and until the Declarant elects to release its Reviewer status and rights in writing as permitted herein

(b) After the Declarant Control Period or After Release. After the Declarant Control Period ends, the Board shall act as Reviewer unless the Board appoints, in its discretion, an Architectural Review Board ("ARB") for that purpose. The ARB, if appointed, shall be composed of at least three (3) and not more than seven (7) individuals, the exact number of members of the ARB to be designated from time to time by the Board.

The decision of the Reviewer shall be final and binding in all respects. In the case of decisions made by the Board or ARB acting as Reviewer, all such decisions shall be by majority vote. In its capacity as Reviewer, neither the Board nor the ARB shall be required to observe corporate formalities and may informally vote on and/or make decisions, whether electronically or otherwise, on requests submitted; provided, however, that a written record shall be made of decisions made on requests submitted.

The members of the ARB need not be Owners. In the event of the death or resignation of any member of the ARB, the Board shall have full authority to designate and appoint a successor.

Members of the ARB may be removed and replaced at any time, with or without cause, and without prior notice, by the Board.

Section 9.3 Professional Services. Notwithstanding anything contained herein to the contrary, the Reviewer shall have the right, power and authority to employ and/or use the services of any architects, engineers, attorneys or other professionals as it deems necessary or advisable, in its sole discretion, to carry out the duties and obligations of the Reviewer as described in this Article IX; provided, however, that any expenditures for professional services after the termination of the Declarant Control Period or after Release shall be approved in advance by the Board. Professional fees for services requested by and rendered to the Reviewer may be taxed to the Owner submitting a request and if unpaid, shall become a Special Individual Assessment enforceable as provided in Section 5.5.

Section 9.4 Architectural and Landscape Guidelines.

- The Reviewer may, from time to time, publish and promulgate architectural and design guidelines (the "Architectural Guidelines"). The Architectural Guidelines shall be explanatory and illustrative of the general intent of the development of the Property and are intended to be a guide to assist Owners in preparing and submitting applications, plans, specifications, and supporting information for proposed Improvements and as a reference to assist the Reviewer in reviewing applications, plans, specifications, and supporting infolmation for proposed Improvements, excluding only landscape Improvements, which are addressed in Section 9.4(b) below. The Architectural Guidelines may set out, among other things, the procedures for submission, review and approval of plans and specifications for the construction of non-landscape Improvements to and by the Reviewer. The Reviewer is authorized to request the submission of samples of proposed construction materials. To the extent standards, requirements, methods, and procedures are established in the Architectural Guidelines, they shall be binding upon and must be complied with by all Owners and their contractors and sub-contractors and shall be assumed to be incorporated into any written approval issued pursuant to this Article unless expressly varied in writing by the Reviewer. The Architectural Guidelines may be revised and amended at any time by the Reviewer, in its sole discretion.
- (b) The Reviewer may, from time to time, publish and promulgate landscape guidelines (the "Landscape Guidelines"). The Landscape Guidelines shall be explanatory and illustrative of the general intent of the landscaping of the Property and are intended as a guide to assist Owners in preparing and submitting applications, plans, specifications, and supporting information for proposed Improvements and as a reference to assist the Reviewer in reviewing applications, plans, specifications, and supporting information for proposed Improvements. The Landscape Guidelines may set out, among other things, the procedures for submission, review and approval of landscape plans and specifications to the Reviewer. In addition, the Landscape Guidelines may establish approved standards, methods and procedures for landscaping, landscape management and landscape maintenance in the Property, including removal of trees. To the extent standards, requirements, methods, and procedures are established in the Landscape Guidelines, they shall be binding upon and must be complied with by all Owners and their contractors and sub-contractors and shall be assumed to be incorporated into any written approval issued pursuant to the provisions of this Article unless expressly varied in writing by the Reviewer. The Landscape Guidelines may be revised and amended at any time by the Reviewer, in its sole discretion.

- (c) The Reviewer is also hereby authorized to publish and promulgate from time to time, and to revise and amend at any time, in its sole discretion, construction and/or installation rules to be followed by all Owners, contractors and installers performing work or constructing or installing Improvements (including landscape Improvements) on the Property.
- (d) The Architectural Guidelines, the Landscape Guidelines and the construction and installation rules shall herein collectively be referred to as the "Architectural and Landscape Guidelines" or the "Guidelines." The Reviewer may issue and amend the Architectural and Landscape Guidelines from time to time and may publish and promulgate different Architectural and Landscape Guidelines for different Phases, sections, or portions of the Property. The Guidelines shall be recorded as required by South Carolina law.
- **Definition of "Improvements".** The tenns "Improvement" or "Improvements" shall mean and include the House and any and all changes or additions that are made to a Lot or that are attached or affixed to a Lot, including, without limitation: (i) all structures and buildings (including any exterior devices attached to or separate from buildings, such as heating and air conditioning equipment, solar heating devices, etc.); (ii)) exterior lights and illumination; (iii) roofed structures; (iv) parking or paved areas; (v) fences, including "invisible" fencing; (vi) pet "runs," lines and similar tethers or enclosures; (vii) walls; (viii) irrigation equipment, apparatus and systems; (ix) landscaping (including cutting of trees), hedges and mass plantings; (x) poles; (xi) driveways; (xii) ponds, lakes and other water features; (xiii) changes in grade or slope; (xiv) site preparation; (xv) swimming pools, hot tubs and Jacuzzis; (xvi) recreation equipment including, without limitation, tennis courts, tree houses, basketball goals, skateboard ramps and other sports or play apparatus; (xvii) signs, flags and banners, and the poles and structures from which they are hung or flown; and (xviii) changes in any exterior color, design or shape. Antennae and satellite dishes one meter or less in diameter are specifically made subject to regulation and restriction to the fullest extent permitted under the Telecommunications Act of 1996, as amended. The forgoing definition includes both original Improvement(s) and all later changes or additions to Improvement(s). The definition does not, however, include the replacement or repair of Improvement(s) previously approved by the Reviewer, provided that such replacement or repair does not change any exterior color, material, design or appearance from that which was previously approved by the Reviewer.

Section 9.6 Enforcement/Construction Compliance Deposit.

(a) The architectural control provisions contained in this Article (or in any Supplemental Declaration(s), if any) are to facilitate control of the architectural design, construction, installation and placement of all Improvements and landscaping, to establish quality standards for construction, installation and related activity in the Project, and to help preserve property values within the Project. All Owners, by purchasing property subject to this Declaration, acknowledge that a violation of any such provisions could result in irreparable harm and damage to other Owners of property in the Project and to Declarant, and to the values of their respective properties in the Project, a monetary measure of which hann and damage would be difficult to establish. Accordingly, the Association shall have the specific right (but not the obligation) to enforce and/or to prevent any violation of the provisions contained in this Article IX and to enforce rulings and decisions of the Reviewer by a proceeding at law and/or in equity against the person or persons violating or attempting to violate any such provision, ruling or decision and/or through an administrative action as permitted under Article XIV hereof,

including the possible imposition of fines or suspension of rights and/or privileges as provided therein. Declarant hereby specifically reserves and grants unto the Reviewer, the Board and any agent or member thereof, the right of entry and inspection upon any portion of the Property for the purpose of determining whether there exists any Improvement which is not approved or which violates the terms of any approval given by the Reviewer, the terms of the Architectural and Landscape Guidelines or the Project Documents.

- (b) The Reviewer may require Owners to deliver a Construction Compliance Deposit to the Association in an amount up to but not exceeding Two Thousand Five Hundred Dollars (\$2,500.00) to secure and insure compliance by such Owner with the Project Documents, the conditions and stipulations set forth in any approval given, the Architectural and Landscape Guidelines and all applicable laws, ordinances, regulations and other governmental requirements. In the event of a violation or breach of any of the forgoing, the Association may apply all or part of the Construction Compliance Deposit to compensate the Association for any loss or damage sustained, to reimburse the Association for any expense incurred (including, without limitation, expenses for Roadway repair under Section 11.14), and to pay any duly levied fine(s) or to pay assessments under Section 5.5. The Owner posting the deposit shall be notified of the Association's application of any portion of the deposit as permitted herein. Any unapplied portion of the deposit remaining at the time construction is fully complete and all requirements have been fully satisfied shall be returned to the person or entity from whom it was received.
- Owner to restore such Owner's Lot and/or Improvements to the condition existing prior to the construction or installation thereof (including, without limitation, the demolition and removal of any unapproved Improvements) if such Improvements were commenced or constructed in violation of this Article. In addition, the Association may, but has no obligation to, cause such restoration, demolition and removal to be performed and to levy the amount of the cost thereof as a Special Individual Assessment against the Lot or portion of the Property upon which such unapproved or nonconforming Improvements were commenced or constructed. In the event that it becomes necessary for the Association to file a civil action or to resort to any private dispute resolution process, to detennine the propriety of any constructed Improvement, to remove any unapproved Improvement or otherwise to remedy any violation of this Article, the Association shall be entitled to recover any court costs, attorneys' fees and expenses incurred by the Association and/or the Reviewer in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the Lot or other portion of the Property upon which such Improvement was commenced or constructed

Section 9.7 Failure of Reviewer to Act. WRITTEN APPROVAL AS SPECIFIED IN THIS ARTICLE SHALL BE REQUIRED IN EVERY CASE. No failure or delay by the Reviewer to approve or disapprove any plans and specifications and other submittals or to reject them as being inadequate or unacceptable shall be deemed or construed to be an acceptance or approval thereof. No verbal or oral statement or representation by any person or entity shall bind the Board, the Association, or the Reviewer. Further, the Reviewer has no right or power to waive or grant any variances relating to any Use Restrictions in Article XI or other mandatory requirements specified in this Declaration or any Supplemental Declaration, if any. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the Reviewer may take no action with respect to the same or may reject them as being inadequate or may approve or disapprove them in part, either conditionally or unconditionally, and reject or approve the balance.

Section 9.8 <u>Variances</u>. Subject to the Limitations set forth herein and in the preceding section and upon submission of a written request, the Reviewer may, from time to time and in its sole and unfettered discretion, permit Owners to construct, erect or install Improvements which are at variance with architectural or landscaping requirements or provisions that might be otherwise applicable. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community and shall not materially change the scheme of standards, restrictions and requirements herein set forth. A written request for a variance shall be deemed to be disapproved unless and until the Reviewer has expressly approved the request in writing. Neither the Reviewer nor any member or agent thereof shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant or denial of any variance to any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from all other such requests. The action of or decision by the Reviewer with respect to any variance request shall not estop or prevent the Reviewer from taking different action or rendering a different decision on any variance request subsequently received. The grant of a variance to any Owner shall not constitute a waiver of the Reviewer's right to strictly enforce any covenant, restriction and/or standard against any other Owner. Nothing herein shall authorize the Reviewer to grant a variance with respect to the Use Restrictions set forth in Article XI or other mandatory requirements specified in this Declaration or any Supplemental Declaration, if any.

Section 9.9 Limitation of Liability. Neither the Reviewer nor any member or agent thereof shall be liable for any claims, causes of action or damages (except where occasioned by willful misconduct of such Member) arising out of services performed or decisions made pursuant to this Article IX. Neither the Reviewer, nor the members thereof, nor the Association, nor Deckarant, nor any officers, directors, members, employees, agents or affiliates of any of them, shall be liable for damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of, or the failure to approve or disapprove, any plans and specifications. The approval of plans and specifications by the Reviewer shall not be deemed or construed as a representation or walrnnty of the Reviewer, the Association, the Declarant, or any officer, director, member, employee, agent or affiliate of any of them, (i) that Improvements constructed in accordance with such plans and specifications will comply with applicable zoning ordinances, building codes, or other governmental or quasi-governmental laws, ordinances, rules and regulations or (ii) as to the structural soundness, quality, durability, suitability, safety, fitness or proper functioning of Improvements constructed in accordance with such plans and specifications, and any responsibility or liability therefor is hereby expressly disclaimed. Every person who submits plans and specifications, and every Owner, agrees that he will not bring any action or suit against Declarant, the Association, the Reviewer, the Board, or the officers, directors, members, employees, agents or affiliates of any of them, to recover any such damages and hereby releases, waives, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Declarant shall be the sole party responsible for the performance of Declarant's obligations under this Declaration, and no other person, firm or entity, including, without limitation, any entity affiliated with Declarant, shall have any obligation or liability for Declarant's obligations under this Declaration.

ARTICLEX

EASEMENTS

Section 10.1 Use of Common Elements. Subject to any limitation or restriction set forth in this Declaration (including rules and regulations made or amended under Section 11.27), Declarant declares that the Common Elements are subject to a perpetual nonexclusive easement in favor of Declarant, Builder(s), the Association and their designees, the Owners and all their family members, guests, invitees and tenants, and appropriate governmental and quasi-governmental agencies to use the Common Elements for all proper and normal purposes including, but not limited to, ingress, egress and access for the furnishing of services and utilities and for such use of the facilities as the same are reasonably intended in accordance with the terms of this Declaration and any Supplemental Declaration. If ingress or egress to any Lot or other portion of the Property is through any Common Elements, any conveyance or encumbrance of such areas is subject to this easement.

Section 10.2 Right-of-Way Over Roadways. Declarant hereby reserves, for the benefit of itself, any Builder, and the Association, including each of their respective agents, employees, lessees, invitees, designees, successors and assigns, and to each Owner of a Lot, their family members, tenants, guests, invitees, successors and assigns, and to each Occupant of a Lot, and to all governmental and quasi-governmental agencies and service entities having jurisdiction over the Property while engaged in their respective functions, a perpetual non-exclusive easement, license, right and privilege of passage and use, both pedestrian and vehicular, over and across the Roadways for the purpose of providing access, ingress and egress to and from, through and between the Property.

Elements. Declarant hereby reserves, for the benefit of itself, any Builder, and the Association, including each of their respective agents, employees, lessees, invitees, designees, successors and assigns, an easement for ingress, egress and access to enter upon or over the Common Elements for the purposes of inspecting any construction, proposed construction, or improvements or fulfilling the rights, duties and responsibilities of ownership, administration, maintenance and repair of Declarant or the Association, as appropriate. Such easement includes an easement in favor of the Association and Declarant to enter upon the Common Elements now or hereafter created to use, repair, maintain and replace the same for the purposes for which they are initially designated or for such purposes as they are hereafter re-designated or as Declarant otherwise determines them to be reasonably suited. Notwithstanding the foregoing, nothing contained herein shall be interpreted as imposing any obligation upon the Association, any Builder or the Declarant to maintain, repair, or construct improvements which an Owner is required to maintain, construct or repair.

Section 10.4 Easement for Encroachments. Declarant hereby reserves, for the benefit of itself, any Builder, and the Association, including each of their respective agents, employees, lessees, invitees, designees, successors and assigns, and for the benefit of the Owners and Occupants of Lots, easements for encroachments, to the extent necessaly, in the event any portion of the improvements located on any portion of the Property now or hereafter encroaches upon any of the remaining portions of the Property as a result of minor inaccuracies in survey, construction or reconstruction, or due to settlement or movement. Any easements for encroachment shall include easements for the maintenance and use of the encroaching improvements in favor of Declarant, Builder, the Association, the Owners and all their designees.

Section 10.5 Easements Appearing on the Plat. Declarant hereby reserves, for the benefit of itself, any Builder, and the Association, including each of their respective agents, employees, lessees, invitees, designees, successors and assigns, any and all easements shown on the Plat, if any; provided, however, that the Association shall have no responsibility for the maintenance of any such easements except to the extent maintenance of the easement is expressly made the responsibility of the Association in this Declaration.

Section 10.6 Additional Easements for Utilities and Drainage. Declarant, prior to the conveyance of the Common Elements to the Association, and the Association (at any time thereafter) may grant easements for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace pipes; ducts; sewer lines; water lines; gas mains; telephone and television or cable television wires, cables and equipment; electrical conduits; and wires over, under, along and on any portion of the Common Elements or within the Roadways. Utilities purposes shall include, without limitation, lighting, irrigation, drainage, storm water management and solid waste disposal services and purposes. Further, the Association may grant such permits, licenses, and easements over the Common Elements for utilities, roads, and other purposes reasonably necessary or useful in the discretion of the Board for the purpose of maintenance and operation of the Project. Notwithstanding the foregoing, no sewer lines, electrical lines, water lines or other utilities may be installed or relocated on the Property except as initially approved by Declarant or thereafter approved by Declarant or the Board.

Additionally, Declarant hereby reserves, for the benefit of itself, any Builder, and the Association, including each of their respective agents, employees, lessees, invitees, designees, successors and assigns, a non-exclusive easement and right-of-way over, under and along (i) a ten (10) foot strip of land adjacent to the front, side and rear boundary lines of all Lots within the Property, (ii) a ten (10) foot strip of land adjacent to and around the perimeter of the buildings on the Property, and (iii) all easements appearing on the Plat and described in **Section 10.5** above, for the installation and maintenance of lines, conduits, pipes and other equipment necessary for furnishing electric power, gas, telephone service, cable service, water, irrigation, septic system, sanitary sewer and drainage facilities, storm drainage and/or other utilities, if any.

Section 10.7 Declarant's Right to Assign Easements: Maintenance of Easement Areas. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder. The areas burdened by the easements and rights-of-way reserved by Declarant on each Lot or other portion of the Property pursuant hereto, including any improvements in such areas, which are not expressly to be maintained by the Association or a public authority or utility, shall be maintained continuously by the Owner of such Lot or other portion of the Property.

Section 10.8 Easement for Construction Purposes. Declarant and Builder(s) shall have full rights of ingress and egress to and through, over and about the Property during such period as Declarant or Builder is engaged in any construction or improvement work on or within the Property. Declarant and Builder(s) shall further have an easement for the purpose of the storage of materials, vehicles, tools, and equipment which are intended to be utilized in such construction. No Owner nor any guests or invitees, shall in any way interfere with or hamper Declarant, any Builder or any of their respective employees, successors, agents or assigns in connection with any such construction. Declarant also reserves (for Declarant's own benefit and the benefit of any Builder), an easement over

the Property, including all the Lots, for purposes of satisfying and/or complying with any directions or requests of any governmental entity with respect to the Property.

Section 10.9 Right of Access. Every Owner grants a right of access to his Lot to the Declarant, Board and any other person authorized by the Declarant or Board (including, without limitation, the Independent Manager) for the purpose of making inspection of or correcting any condition originating in his Lot and for the purpose of performing installations, alterations or repairs to any portion of the Common Elements adjoining his Lot; provided, however, that such any such entry shall be requested in advance and be made at a time reasonably convenient to the Owner, except in the case of an emergency where no request shall be required and entry may be made at any time.

Section 10.10 Reserved Easements for Declarant and Builder. Each deed from Declarant to the Association conveying all or any part of the Common Elements shall be made subject to and be deemed to include non-exclusive reserved easements in favor of Declarant and any Builder for the purpose of pedestrian and vehicular access to and from all Roadways, for the use of the utility facilities (such as sewer and water mains and metering facilities) installed by Declarant in connection with its initial development of the Property, for the installation, operation, repair and replacement of additional utility facilities, and for the creation, installation, maintenance, repair or replacement of signage (whether related to the Project, any other project of Declarant or for any other purpose). Any such easements may be transferred, conveyed, or assigned by the Declarant to other persons or entities by the recordation of a written instrument in the County public registry.

In addition, Declarant and Builder shall have an easement over the entire Property for the purpose of complying with the requirements, rules, or regulations of any federal, state or local government office, entity, board or agency, including, without limitation, any requirement that the land or any structures, improvements or obstructions located thereon be constructed, reconfigured, altered or removed. To the extent the Declarant or any Builder exercises the rights and authority reserved herein, such Declarant or Builder shall not be liable to the Association, any Owner or any other person or entity for trespass, conversion or based on any other legal claim or theory. The easement rights and authority reserved herein shall terminate and expire three (3) years after the termination of the Declarant Control Period.

Section 10.11 Easements Over Lots to Perform Maintenance. The Association shall have an easement over each Lot for the purpose of perform ling the maintenance responsibilities assigned to the Association in this Declaration, if any.

Section 10.12 Emergency Access. There is hereby reserved without further assent or permit and to the extent allowed by law, a general easement to all firemen, ambulance personnel, policemen and all similar persons to enter upon the Property or any portion thereof which is now or hereafter may be made subject to this Declaration in the performance of their respective duties. The Association and its agents shall also have the right to enter the Lots and any improvements located thereon for the purpose of making any emergency repairs or replacements.

<u>Section 10.13 Signage Easement.</u> Declarant reserves to itself and any Builder a perpetual easement over the Common Elements for the installation of signage promoting the development and sale of the Property or promoting the development and sale of any of Declarant's other properties developments or communities.

Section 10.14 Easements for Bulk Services Infrastructure. Declarant hereby reserves, for the benefit of itself, Builder, and the Association (and each of their respective authorized agents, employees, lessees, invitees, designees, successors and assigns), a perpetual easement over, across, under and through all of the Property, including, without limitation, the Lots, for the purpose of constructing, installing, repairing and maintaining any and all wires, conduit, cables, equipment and infrastructure of any type which is required in connection with the provision of Bulk Services to the Property pursuant to any Bulle Service Contract(s), as defined in Article VI hereof.

ARTICLE XI

USE RESTRICTIONS

Section 11.1, Residential Use Only. Each Owner shall use his Lot for residential purposes only and shall not permit his Lot to be used in any unlawful manner. The maximum number of residents for any Lot shall not exceed any maximum that applies to the Lot pursuant to any applicable governmental requirement, regulation, ordinance, or statute. For purposes of this Section, a person shall be presumed to be a "resident" in the Lot if they occupy the Lot overnight for ten (10) consecutive days or for fourteen (14) days during any sixty (60) day period. Residency may otherwise be established by the Board by the totality of the circumstances. To the extent permitted by law, any Owner may use his Lot as a home office, provided, however, that such home office use (a) shall be ancillary to the residential use of the Lot, (b) does not generate any additional pedestrian or vehicular traffic to or from any Lot or the Common Elements, and (c) does not cause any disturbance of other Owners, residents or occupants of the Property. In addition, Declarant and Builder shall have the right to use any portion of the Property as a sales office, construction office, storage areas, model Lot, or similar facility in connection with its development of the Property during the Declarant Control Period.

Without limiting the foregoing, no Lot or any portion of the Property shall be used for or as a "Residential Institution" except to the extent such use is expressly required to be allowed by law. For purposes of this paragraph, a "Residential Institution" shall mean and refer to a nursing home, child care center, boarding house, "half-way house," dependent living facility, adult care center, adult care home, family child care home, group home, residential day care, house of detention, reform school, asylum, or institution of a kindred character, or any structure to house, provide a residence for, or be occupied by three or more persons, unrelated by blood, marriage or adoption on a temporary or permanent basis.

Section 11.2 NoFlyZone. The operation of Unmanned Aircraft Systems (UAS) and Unmamled Aerial Vehicles (UAV), commonly known as drones, is prohibited anywhere within the Property and within the air space above the Property from the surface to 500 feet above ground level ("No Fly Zone"). No person or entity shall launch, land or fly any UAS or UAV within the No Fly Zone nor shall any person or entity use a UAS or UAV for the purpose of photographing or surveillance of any person without that person's written permission. No person shall request or solicit a UAS or UAV flight into or within the Property for any purpose, including the delivery of goods or services. Each separate flight and each photograph taken without authorization shall constitute a separate violation of this section. Notwithstanding the foregoing, the Board of Directors may establish

and amend rules and regulations regarding UAS and UAV operations within the No Fly Zone and/or issue general or specific licenses to Members, occupants, guests or outsiders allowing UAS and UAV operations within the No Fly Zone established herein.

Section 11.3 Care and Maintenance. Each Owner shall: (a) maintain the Lot, the House and all improvements thereon as required by Section 8.2; (b) permit no unsafe, unsanitary or hazardous conditions in or on his House and Lot; (c) comply with any and all obligations imposed upon Owners by applicable building and housing codes; and (d) neither deliberately nor negligently destroy, deface, damage or remove any part of any House or Lot or the Common Elements, or knowingly permit any person to do so. If an Owner fails to comply with the standards or requirements of the Association relative to maintenance after written notice to do so, the Association shall have the right to undertake the necessary maintenance or repairs at the expense of the defaulting Owner, as provided in Section 8.2. For purposes of this section, "Lot" shall include all easements granted to or reserved for the Declarant or the Association during any period that neither the Declarant nor the Association are using them or exercising their rights in or over them.

Section 11.4 HYACEquipment. No air conditioning or heating equipment or apparatus shall be installed on the ground in front of or attached to any front wall of any House on a Lot.

Section 11.5 Exterior Lighting. Exterior lighting on Lots shall be subject to the applicable requirements and limitations in the Guidelines. Night lighting of recreational facilities on Lots is not permitted except to the extent expressly allowed by the Reviewer. All exterior lighting that is approved shall be configured, positioned and directed (i) so that bulbs are not visible from any point outside the boundaries of the Lot where the lighting is installed, and (ii) so that they do not cast light beyond the boundaries of the Lot where the lighting is installed.

Section 11.6 Fences and Walls. Except as expressly allowed in this Section 11.6 or in the Architectural Guidelines, no fence or wall (including those consisting of planted hedges, rows or similar landscape barriers) shall be erected, placed, or maintained on any Lot unless and until it is approved by the Reviewer under Article IX. No perimeter fence or wall shall be erected on any Lot closer to the street or Roadway than the rear back comer of the House or the side street setback for comer Lots. All perimeter fencing shall be black picket fencing in decorative metal only and must be four feet (4') to five feet (5') in height. The spacing between the fence pickets shall not be less than one and one-half inches (1 ½") and all such pickets shall be installed on the exterior. No perimeter fence or wall shall be erected on any berm of dirt which was placed on side or rear Lot line by the Declarant or Builder. However, the Reviewer under Article IX has the right to approve a fence location variance on any Lot due to the unique characteristics of the Lot as provided in Section 9.8. This Section 11.6 shall not apply to fencing installed by the Declarant or Builder on a model home Lot or approved by the Declarant or Builder for installation on a model home Lot. No fence or wall shall be erected, placed, or installed in any location or manner that impacts, impedes, or hinders the flow of surface water. CHAIN LINK FENCES, SPLIT RAIL FENCES AND WOOD FENCES ARE EXPRESSLY PROHIBITED.

Section 11.7 Mail and Newspaper Boxes: House Numbers. The Declarant, in its sole discretion, may require that mail will be distributed in the community using shared, cluster mailboxes. The design, type, appearance, and location of the shared, cluster mailboxes shall be as specified and approved by the Declarant. The design, type, appearance and location of mailboxes and newspaper

boxes on Lots adjacent to the Roadway (if approved and allowed by the Declarant) must be approved in writing by the Reviewer under Article IX. House numbers may be displayed on the House only as approved by the Reviewer under Article IX.

Section 11.8 Accessory Structures and Materials. No residence or building of a temporary nature, including a construction trailer, shall be erected, or allowed to remain on any Lot. Nor shall any tent, shed, barn, carport, garage, utility building, or storage building be erected on any Lot or attached to any building or structure (except as part of the original construction on the Lot by Declarant or Builder). Provided, however, nothing herein shall prohibit Declarant or Builder from erecting or moving temporary buildings onto Lots owned by Declarant or Builder to be used for storage, or for construction or sales of fices.

Section 11.9 Sight Line Limitations. To the extent that governmental requirements do not impose a stricter standard, no fence, wall, hedge, tree, shrub, or other planting which obstructs sight lines at elevations between two (2) and six (6) feet above Roadways shall be placed or permitted to remain on any comer Lot within the triangular areas shown on the Plat as "Sight Triangles." The same sight line limitations shall apply on any Lot within the triangular areas formed by (i) the lines that run from the point of intersection of (a) the edge of a Roadway's pavement and (b) the edge of the pavement of the driveway on such Lot for a distance often (10) feet along such Roadway pavement away from such dliveway pavement, (ii) the line that runs from said point of intersection for a distance often (10) feet along such driveway pavement away from such Roadway pavement, and (iii) the straight line that connects the ending points of the lines described in the foregoing clauses (i) and (ii). No tree shall be permitted to remain within such triangular areas unless it is continuously maintained at an appropriate height to prevent any obstruction of sight lines.

Section 11.10 No Subdivision of Lots. No Lot shall be subdivided by sale, lease or otherwise without the prior written consent of Declarant during the Declarant Control Period or the consent of the Board thereafter: provided, however, Declarant reserves the right to combine, subdivide or change the size, boundaries or dimensions of any Lot or Lots owned by Declarant for any reason at any time.

Section 11.11 Restricted Activities in Common Elements. There shall be no disturbance or obstruction of, nor any cutting of vegetation, dumping, digging, filling, destruction, or other waste upon the Common Elements. Nor shall anything be kept, stored, altered, constructed, planted, or removed therein without the prior written consent of the Declarant during the Declarant Control Period or the consent of the Board thereafter. The Declarant, Association and all Owners shall strictly comply with any applicable restrictions or regulations that require portions of the Property to remain undisturbed or that subject any portion thereof to tree preservation, BMP and buffer requirements prohibiting or restricting any activities within those areas. Each Owner shall be liable to the Association and/or Declarant for any damage to any Common Elements caused by the negligence or willful misconduct of the Owner or his family, tenants, guests, agents, employees, or invitees. Provided, however, the provisions in this paragraph shall not apply to Declarant or Builder in connection with Declarant's or Builder's development or construction activities on the Property or to the Association in connection with Association's activities in discharging its duties and responsibilities.

Section 11.12 Recreational and Other Equipment. No recreational equipment including, but not limited to, basketball backboards and hoops, swing sets, tree houses, children's climbing or play

apparatus and other equipment associated with either adult or juvenile leisure or recreation shall be attached to the exterior of any House or otherwise placed or kept on any Lot, except in the Rear Yard and as approved by the Reviewer. Provided, however, that non-portable (i.e., permanent, or fixed) basketball goals, backboards and hoops may be placed/installed at other locations if and as allowed in the Guidelines or by the Reviewer. All basketball poles, goals, backboards, and hoops must be permanent and affixed to the ground in an approved location. Moveable or portable basketball poles, goals, backboards and hoops and all trampolines of any type are expressly prohibited. Children's play toys and other moveable equipment of any type (such as lawn mowers, garden tools, etc.) shall be kept in the garage or the Rear Yard except when in use. Notwithstanding any of the foregoing, all recreational equipment shall be screened so as not to be visible from any Roadway, and all screening used must be approved by the Reviewer.

Section 11.13 Vehicles. Parking and Storage.

- (a) No vehicles, trucks, vans, cars, trailers, or equipment of any type may be parked on any Common Element parking area within the Property between 9:00 p.m. and 7:00 a.m. No vehicle of any size which transports flammable or explosive cargo may be parked or kept within the Property at any time. No vehicle that is not in a condition to be normally operated or that does not have a current registration and inspection sticker may be stored or situated on any Lot for more than thirty (30) days unless stored in an enclosed garage.
- (b) Commercial-use vehicles and trucks not involved with construction activity on the Property which have a carrying capacity and/or size designation greater than or equal to three-fourths (3/4) of one ton (except 3/4 ton "dually" pick-up trucks which are expressly exempted from this sentence) shall not be permitted to park anywhere on the Property between 9:00 p.m. and 7:00 a.m. except inside of an enclosed garage. Notwithstanding anything else to the contrary, (i) commercial vehicles used as the primary source for transportation to and from work are permitted and (ii) the Board may grant other waivers or exemptions from this requirement as it, acting in its sole discretion, deems reasonable and appropriate.
- (c) The Owner of each Lot will be responsible for providing on such Owner's Lot a sufficient paved parking area for all vehicles normally parked and/or situated on or regarding such Lot. No vehicle, trailer or equipment of any type shall be parked other than on a paved driveway or parking areas approved by the Reviewer.
- (d) No recreational vehicles or related equipment, including any boat, houseboat, trailer, motor home or "camper" vehicle may be maintained, stored, or kept on any portion of the Propelty, except in enclosed garages.
 - (e) Garage doors shall remain closed at all times except during times of ingress or egress.
- (f) No construction of fice trailers may be placed, erected, or allowed to remain on any Lots during construction, except as approved in writing by the Reviewer under Article IX. Other construction vehicles (trucks, vans, cars, construction equipment, equipment trailers, etc.) may be parked or placed on the Property (including any Lot or Roadway) only in accordance with such rules as may be established by the Board.

- (g) Unlicensed, non-electric equipment or vehicles shall not be operated on the Property; provided, however, lawnmowers, lawn equipment and lawn and garden tractors are permitted. Owner shall provide the Association, upon request, with documentation verifying the licensing of non-electric vehicles or equipment.
- (h) Association shall have the right to tow, disable, or remove any vehicle, trailer, or equipment of any type which is parked, stored, or kept on any part of the Common Elements or any private Roadway in violation of this Section 11.13 without notice or warning.
- (i) Notwithstanding anything else to the contrary, the provisions of this Section 11.13 shall not apply to Declarant or Builder, nor to any of their respective contractors, subcontractors, vendors, suppliers or other persons present on the Property at the request of or to provide services for the benefit of the Declarant, Builder or the Association.
- 11.14 <u>Diligent Construction.</u> All construction, landscaping or other work which has been commenced on any Lot must be continued with reasonable diligence to completion and no partially completed House or other Improvement shall be permitted to exist on any Lot except during such reasonable time period as is necessary for completion. All construction must be completed within six (6) months after the date upon which it is commenced, unless a longer time is approved by the Declarant or the Reviewer under Article IX. Any damage to the Roadways, curbs or sidewalks or any part of the Common Elements or any utility system caused by an Owner or by an Owner's contractor or his subcontractors shall be repaired by the Declarant and/or the Association, and the Owner and Owner's builder shall be jointly and severally responsible for the payment of all costs and expenses thus incurred and the cost thereof may be recovered as a Special Individual Assessment against the Owner. These costs and expenses may also be paid from the Construction Compliance Deposit required pursuant to Section 9.6(b). Any builder of improvements (with the exception of the Declarant and Builder) and his subcontractors on any portion of the Property shall keep such portion of the Property free of construction debris, in accordance with the construction rules established by the Reviewer under Article IX or, in the absence of such rules, in accordance with standard construction practices. The Board may levy a Special Individual Assessment against an Owner's property in the Project to pay for the cost of repairing any damage to Roadways, curbs or sidewalks or any part of any Roadway, Common Elements, or utility system, to pay for the cost of cleaning public and private areas, including the Roadways in the Project, and to pay for the cost of the removal of garbage, trash or other debris, which are occasioned by the activities of an Owner or Owner's builder or his subcontractors during the construction of Improvements. These costs and expenses may also be paid from the Construction Compliance Deposit required pursuant to Section 9.6(b). Notwithstanding anything else to the contrary, the requirements of this Section 11.14 shall not apply to the Declarant or Builder.

Section 11.15 Restricted Activities in Roadways. No Owner shall alter any portion of a Roadway or place anything within a Roadway. Any changes made shall be corrected and any items placed, constructed, or installed in violation of this section shall be removed immediately at the request of the Declarant or the Association. All costs and expenses incurred by the Declarant or the Association as a result of a violation of this section by any Owner shall be charged to that Owner as a Special Individual Assessment.

Section 11.16 Restricted Activities in Easements. No structure, planting or other material shall be placed or permitted to remain in, upon, or within any easement shown on the Plat or provided for in Article X that could (i) damage or interfere with the installation, operation, maintenance or use of utilities or improvements located thereon; (ii) change the direction or flow of drainage channels; (iii) retard, obstruct or reverse the flow of water; alter or interfixe with an established slope ratios; or (iv) create erosion within any easement shown on the Plat or provided for in Article X. All costs and expenses incurred by the Declarant or the Association as a result of a violation of this section by any Owner shall be charged to that Owner as a Special Individual Assessment. This reservation of easements shall not prohibit the construction of driveways, at locations approved by the Reviewer under Article IX, over such easements.

Section 11.17 Offensive Activity and Nuisance. No unlawful, noxious or offensive trade or activity shall be conducted upon any Lot, or in the Common Elements, nor shall anything be done thereon which may be or become an annoyance or nuisance to any other Owner as determined by the Board of Directors, in its sole and absolute discretion, or which may endanger the health or safety of any Owner or other person on the Property. The Board may more specifically regulate, restrict, or prohibit such conduct by and through rules and regulations adopted as provided in Section 11.27.

Section 11.18 Noise and Disorderly Conduct. No Owner shall engage in any disorderly conduct on the Property, or cause or allow any disturbance, including, but not limited to, shouting, singing, or playing any musical instruments, radio, stereo, or television, in a manner that unreasonably disturbs any other Owner. The Board may more specifically regulate, restrict, or prohibit such conduct by and through rules and regulations adopted as provided in Section 11.27.

Section 11.19 Rubbish. All rubbish, trash, garbage, junk, and other waste shall be kept temporarily in sanitary containers within each Lot and removed at least weekly from the Property. All trash containers or other equipment for storage or disposal of such waste shall be kept in a clean, odor-free and sanitary condition and shall be kept (a) in the garage, (b) in the Rear Yard inside an enclosure approved as provided for in Article IX, or (c) in the farthest comer of the Rear Yard so as to be concealed from view from any Roadway or House at all times except on the days and during the periods established by the Board from time to time when containers may be moved to a designated location for pickup. In no event shall any trash container be allowed to remain in the location designated for pick-up more than 24 hours before or 24 hours after the scheduled pick-up date.

Section 11.20 Animals. No animals shall be kept or maintained in any Lot or House except for domesticated dogs or domesticated cats or household pets that are kept and maintained inside the House at all times and not more than three (3) such animals shall be present, kept or maintained on any Lot at any time ("Pets"). No Pets may be kept or bred for any commercial purposes. Pit bulls, pit bull mix animals and rottweilers are prohibited and may not be present or kept on the Property at any time. No savage or dangerous Pets, as determined by the Board in its sole discretion, may be present or kept on the Property. All permitted Pets shall be controlled so as not to create noise that is audible on the Property and outside the Lot where the permitted pet is kept between the hours of 9 p.m. and 7 a.m. All Pets must be housed inside a Lot, and no pet shall be permitted or found on the Property (other than on the Lot of its owner) unless carried or leashed by a person that can and does physically control the pet. Pets shall not be permitted to deficate other than on the Lot of its Owner, or urinate on the shrubbery, and each Owner shall clean up immediately after his pet if an accident occurs. All Pets shall be registered, licensed, and inoculated as required by law. Each Owner shall indemnify and hold

the Association harmless from any claim or costs, including reasonable attorney's fees, resulting from any action of his pet, and shall repair at his expense any damage to the Property caused by his pet. If any Owner violates these rules more than twice in any twelve (12) month period, the Association shall have the right to require the Owner to remove the pet permanently from the Property upon not less than ten (10) days' written notice, which remedy shall be in addition to all other rights or remedies.

Section 11.21 Signs and Flags. No signs of any kind, including political signs, shall be placed, or displayed in the public view on any Lot or on the Common Elements except signs expressly permitted in the Architectural Guidelines or otherwise approved in writing by the Reviewer. No flags, banners, or pennants of any kind, including the flag of the United States of America or the State of South Carolina, shall be placed, flown, or displayed in the public view on any Lot or on the Common Elements except as expressly permitted in the Architectural Guidelines or otherwise approved in writing by the Reviewer; provided, however, the display of the flag of the United States of America may be restricted and limited only as permitted in the Freedom to Display the American Flag Act of 2005 or in S.C. Code §27-1-60. The provisions of this Section shall not prevent the placement of signs and/or flags identifying the Project at any entrance to the Project, nor shall it prevent Declarant or Builder, or any of their respective agents from placing signs or flags to advertise the Property during the construction and sale period, including signs or flags on the Common Elements and on any Lot or Lot owned by the Declarant or Builder. Signs or flags placed or displayed in violation of this Section may be removed and destroyed without notice by Declarant and/or the Association.

<u>Section 11.22 Clotheslines.</u> No outdoor clothesline or clothes drying structure or equipment of any type shall be placed, used, or allowed to remain on any Lot.

Section 11.23 Leases. For purposes of this Declaration, a Lot shall be deemed "leased" if any occupant pays or provides money or other consideration of any type in exchange for permission to occupy all or any part of a Lot, for any period of time, regardless of whether the arrangement is characterized as a "lease," "rental," "license," or any other legal relationship between the Lot Owner and occupant.

Any lease of a Lot and House thereon shall be for the entire Lot and House and not a portion thereof, shall be in writing, shall identify the lessee and all permitted occupants, shall provide that the lease, the lessee and all occupants of the Lot shall be subject in all respects to the Project Documents, and shall provide that any failure by the lessee (or any occupant or other person present on the Lot with lessee's knowledge or consent) to comply with all of the terms of the Project Documents shall constitute a default under the lease. In the event of a violation of the Project Documents by any such person (Whether the lessee or any of his guests or invitees), the Association may require the Owner to terminate the lease and to immediately evict or remove the lessee and all violators. Fines and sanctions imposed for violations of the Project Documents shall be the responsibility of the Owner and all lessees, jointly and severally. No Lot may be leased for a period shorter than one hundred eighty (180) days and no lease may be executed sooner than 180 days after the execution of any prior lease. A copy of every lease shall be provided to the Association. TIME SHARING, INTERVAL OWNERSHIP AND ALL OTHER FORMS OF FRACTIONAL OWNERSHIP ARE HEREBY EXPRESSLY PROHIBITED.

<u>Provided, however,</u> and notwithstanding any inconsistent or contrary provision in this Declaration, that if any Lot is affected by a loan insured by or through any governmental entity,

including, without limitation, HUD, FHA, the VA or USDA, and only for so long as any such loan(s) affect the Lot, any restrictions in this Declaration on renting, subleasing, or reconveyance which violate any requirement of any such governmental entity shall not apply to such Lot or its Owner.

Section 11.24 Governmental Requirements. Nothing herein contained shall be deemed to constitute a waiver of any governmental requirements applicable to any Lot and all applicable governmental requirements or restrictions relative to the construction of Improvements on and/or use and utilization of any Lot shall be applicable and complied with in regard to the Lots. Each Owner, occupant, guest, or other person present on the Property shall comply with all applicable laws, regulations, ordinances and other governmental rules and restrictions at all times. Without limiting the generality of the foregoing, the use of and activities upon areas designated as undisturbed natural areas, tree save areas, revegetated natural areas, or BMP (wet pond) are limited, restricted and in some cases, prohibited by law, regulations, and ordinances with which all Owners must comply.

Section 11.25 Occupants and Guests Bound. All provisions of this Declaration, any Supplemental Declaration and the Bylaws and any and all rules and regulations, use restrictions or Architectural and Landscape Guidelines promulgated pursuant hereto or thereto which govern the conduct of Owners, and which provide for sanctions against Owners shall also apply to all occupants and guests even though occupants and guests are not specifically mentioned.

Section 11.26 Plat Notes, Restrictions and Requirements. All notes, restrictions, requirements, and limitations shown on the Plat are incorporated herein by reference. To the extent that anything shown on the Plat conflicts with any express provision in this Declaration, the provision in this Declaration shall control.

Section 11.27 Rules and Regulations. In addition to the restrictions set forth in this Article XI, reasonable rules and regulations governing the use of the Property may be made and amended from time to time by the Board without further approval until the Declarant Control Period terminates. After the termination of the Declarant Control Period, rules and regulations made by the Board and all amendments thereto shall not be effective unless and until they are approved by a majority vote of those Members present and voting in person or by proxy at a duly called meeting. Rules and regulations adopted as allowed herein may relate to and regulate subjects, issues, activities, and conditions that are addressed in other provisions of this Declaration, including, without limitation, this Article XI, and may be more restrictive than those provisions. Copies of all such rules and regulations and any amendments thereto shall be published prior to their effective date and shall be furnished by the Association to Members upon request.

Section 11.28 Above Ground Pools Prohibited. Above Ground Pools are prohibited. For purposes of this Section, "Above Ground Pool" shall mean and refer to any swimming pool that is constructed so that the surface of the water in the swimming pool when filled to capacity is more than six (6") inches higher than the land that surrounds the pool structure.

Section 11.29 Dog Pens and Runs Prohibited, Dog pens and dog runs are prohibited

Section 11.30 Antennas/Satellite Dishes. No outside radio or transmission tower or receiving antenna, including a satellite dish antenna, and no outdoor television antenna or satellite dish may be erected or installed on the Common Elements under any circumstances or by an Owner on a

Lot without the prior approval of the Board or the Reviewer. To the extent antennas or dishes are allowed by law, the Association reserves the right to approve, regulate and require screening to the fullest extent the law allows. In the event the erection or installation of any dish or device damages or otherwise requires maintenance or repair to any portion of the Property that the Association is responsible to maintain, the Association may require the Owner to properly repair and restore the affected area or, in the alternative, the Association may itself provide for the repair or maintenance of the affected area and recover all of the costs and expenses thereof from the Owner as a Special Individual Assessment.

Section 11.31 Retaining Walls, If any portion of a retaining wall is located within the boundaries of a Lot, the Owner of such Lot is prohibited from installing any improvements or performing any land disturbing activities on the Lot which may damage, weaken or compromise the structural integrity of the retaining wall, or would obstruct access to such retaining wall, without the prior written consent of the Reviewer, and the Reviewer may require that any such Owner seeking to make any such improvements provide an affirmative recommendation of the proposed improvements from a licensed professional engineer selected by the Reviewer. Such prohibited activities include, but are not limited to, excavation, digging, and storage of heavy construction materials or supplies.

<u>Section 11.32 Declarant and Builder Activities Exempted.</u> Notwithstanding any provision in this Declaration to the contrary and until the expiration or termination of the Declarant Control Period:

- (a) Declarant, Builder(s) and their respective contractors, agents, and licensees may construct and maintain upon portions of the Common Elements and upon any Lot owned by such Declarant or Builder such facilities and may conduct such events and other activities which Declarant or Builder, in its sole discretion and opinion, deems reasonably required, convenient, or incidental to the construction or sale of Houses upon the Lots, including, but not limited to, business offices, signs, model homes, and sales offices. Declarant, Builder(s) and/or their respective contractors, agents, and licensees have an easement over and across the Common Elements for access and use of such facilities at no charge.
- (b) Declarant and Builder(s) are entitled to conduct on the Property all activities normally associated with, and convenient to the development of the Property and the construction and sale of Houses on the Property.

Section 11.33 Solar Panel Installations. "Solar Panels," shall mean and refer to any equipment which gathers solar radiation as a substitute for traditional energy. Solar Panels may be installed only on the rear roof of a House if the location meets the other requirements set forth herein. Solar Panel(s) which is/are visible by a person standing on the ground shall not be permitted in any of the following locations within the Property:

- (1) On the facade of a House that faces areas open to common or public access;
- On a roof surface of a House that slopes downward toward areas open to common or public access that the fac;;ade of the House faces; or

(3) Within the area set off by a line running across the fa9ade of the House and extending to the propelty boundaries on either side of the fa9ade and any area of common or public access faced by the House.

ARTICLE XII

AMENDMENT OF DECLARATION

Section 12.1 Amendment Generally. Except as is otherwise specifically authorized herein, and subject to Section 12.3 below, this Declaration may be amended only by the affirmative vote of or written agreement signed by Owners of the Lots to which at least sixty-seven (67%) percent of the votes in the Association are allocated, provided, however, that no amendment shall be effective without Declarant's written consent thereto for so long as the Declarant owns any portion of the Property. No amendment to the Declaration shall be effective unless and until it is executed on behalf of the Association by any officer designated for that purpose and recorded in the County public registry.

Notwithstanding the forgoing or any other provision contained in this Declaration and regardless of whether the amendment occurs during or after the Declarant Control Period, the Declarant's written consent shall be required for any amendment that proposes to change, modify, reduce, or eliminate any right, power or privilege granted to or reserved for the benefit of the Declarant or any Declarant Affiliate in this Declaration, and no such amendment shall be effective without Declarant's written consent thereto.

Section 12.2 Amendment of Declaration Without Approval of Owners. During the Declarant Control Period, and subject to Section 12.3 below, Declarant shall have the right to amend, modify, or delete terms or provisions from, or add new terms and provisions to this Declaration unilaterally and for any reason, without the consent or approval of any other Owner or other person or entity and without the consent, joinder or approval of any Association officer or director.

Section 12.3 Builder Consent to Amendment. Notwithstanding anything else to the contrary, this Declaration may not be amended without Builder's written consent for so long as such Builder owns or has the contractual right or obligation to purchase any portion of the Property. Furthermore, no amendment which proposes to change, modify, reduce, or eliminate any right, power or privilege granted to or reserved for the benefit of any Builder shall be effective without the prior written consent of such Builder.

Section 12.4 Changes to Plans for the Project. Nothing contained herein shall be deemed to incorporate, by reference or otherwise, any plans or proposals promulgated by Declarant with respect to the development of the Project, and Declarant, subject to the covenants, conditions and restrictions contained in this Declaration, reserves the tight to change any plans for the Project at any time and from time to time as Declarant may determine is necessary based upon Declarant's continuing research and design program and/or market conditions. Any plans for the Project shall not bind Declarant or its successors and assigns to adhere to such plans in the development of the Property or any part thereof. In addition, Declarant reserves the right to change, from time to time, the uses and densities that exist on any portion(s) of the Property owned by Declarant. Without limiting the

generality of the forgoing, and notwithstanding anything else to the contrary, the Declarant shall not be required to build, construct, or provide any amenity or amenity areas. As long as any Builder owns any portion of the Property, there shall be no changes to (i) the plans for the Property, or (ii) the uses and densities that exist on any portion(s) of the Property, without such Builder's prior written consent thereto.

ARTICLE XIII

TERMINATION, DURATION, CONDEMNATION

Section 13.1 Termination. This Declaration may be terminated only by agreement of Owners of Lots to which at least eighty (80%) percent of the votes in the Association are allocated and during the Declarant Control Period, with the consent of Declarant and any Builder owning any portion of the Property.

Section 13.2 Duration. This Declaration and the controls, covenants, restrictions and standards set forth herein shall run with and bind the Property and any Owner, and shall inure to the benefit of every Owner of a Lot in the Property and every Owner of any other portion of the Property, including Declarant, and their respective heirs, successors, and assigns, for a term of thilty (30) years beginning on the date this Declaration is recorded in the County public registry. At the end of such thirty (30) year period, all of the easements, controls, covenants, conditions and restrictions set forth herein shall automatically be extended for successive period(s) often (10) additional years, unless prior to the expiration of any such period, the Declaration is terminated as provided in Section 13.1 above. The foregoing shall not limit the right of Declarant to amend and/or supersede, in whole or in part, the terms and provisions hereof., as such right in favor of Declarant is provided for in this Declaration.

Section 13.3 Condemnation. Whenever all or part of the Common Elements shall be taken or condemned by any authority having the power of eminent domain, all compensation, and damages for and on account of such taking shall be paid to the Association. The Association, acting through the Board, shall have the right to negotiate and litigate the issues with respect to the taking and compensation affecting the Common Elements, without limiting the right of the Owners to represent their own interests. Each Owner, by his acceptance of a deed to a Lot or other portion of the Property, hereby appoints the Association as his attorney-in-fact to negotiate, litigate or settle on his behalf all claims arising from the condemnation of the Common Elements. All compensation and damages paid to the Association on account of such a taking shall be used to restore the Common Elements, provided such restoration is possible, with the excess of such compensation or damages, if any, retained by the Association and applied to future operating expenses by the Board, in its sole discretion. Nothing herein contained shall prevent any Owner whose Lot or other property is specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on his own behalf for consequential damages relating to loss of value of the affected Lot, or other property, or improvements, fixtures or personal property thereon, exclusive of damages relating to the Common Elements. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Common Elements, Lots or other property without such allocation, the award shall be divided between or among affected Owners and the Association by the Board, in its sole discretion.

ARTICLE XIV

ENFORCEMENT RIGHTS, REMEDIES, REQUIREMENTS AND PROCEDURES

Section 14.1 Enforcement. Declarant, Association, and the Owner of each Lot, by acceptance of a deed therefor, is deemed to covenant and agree that any controversy, claim or dispute arising out of or relating to the Project, the Association or any provision of the Project Documents, or any breach or violation thereof may be enforced by any means allowed under South Carolina law ("Enforcement Action") and each has standing to seek and pursue Enforcement Action subject to the enforcement requirements and limitations set forth in this Article.

Notwithstanding any other provisions contained in this Declaration, the Declarant shall have legal standing to file suit and a direct right of enforcement against the Association and/or any Owner or Owners to enforce any of the covenants, conditions, terms and provisions of this Declaration and may do so without the consent, joinder or approval of any other person or entity. The enforcement rights reserved herein shall terminate and expire three (3) years after the termination of the Declarant Control Period.

In addition to enforcement as provided above, the Association may, after notice and an opportunity to be heard, impose reasonable fines or suspend voting rights, privileges and/or services provided by the Association (except rights of access to Lots) for reasonable periods for any violation of the Project Documents, including rules and regulations adopted pursuant to Section 11,26. A hearing shall be held before the Board or an adjudicatory panel appointed by the Board to determine if any Owner should be fined and/or if privileges or services should be suspended. The Owner alleged to be in violation shall be given notice of the charge, an opportunity to be heard and to present evidence, and notice of the decision. The Board shall adopt and publish a schedule of the possible fines or ranges of fines that may be imposed for various violations or categories or classes of violations. If it is decided that a fine should be imposed, a fine in accordance with the schedule adopted and published by the Board may be imposed for each violation found and without further hearing, for each day more than five (5) days after the decision that the same violation occurs. Fines imposed shall be treated and collectible as assessments under Sections 5.5 and 5.7. If it is decided that privileges or services should be suspended, the suspension may be continued without further hearing until the violation is cured. If a matter is heard and decided by an adjudicatory panel, the Lot Owner may appeal the decision of the adjudicatory panel to the Board by delivering written notice of appeal to the Board within fifteen (15) days after the date of the decision. The Board may affirm, vacate, or modify the prior decision of the adjudicatory panel. The administrative enforcement procedures described in this paragraph shall not constitute an Enforcement Action and are not subject to the approval requirements described in Section 14.2 below.

Section 14.2 Owner Approval of Enforcement Action by the Association. No Enforcement Action shall be initiated by the Association unless Owners entitled to cast seventy-five percent (75%) of the total votes in the Association approve the initiation and prosecution of the Enforcement Action in writing and advance, except that no such approval shall be required for actions or proceedings: (a) initiated with the consent of the Declarant during the Declarant Control Period; (b) initiated by the Association against Owners to enforce the Project Documents, including, without

limitation, the Use Restrictions contained in Article XI and the Rules and Regulations, (c) to collect assessments, fines or other sums due to the Association or to foreclose liens securing repayment of those sums due; (d) initiated to challenge ad valorem taxation or condemnation proceedings; (e) initiated against any contractor, vendor or supplier of goods or services arising out of a contract with the Association for services or supplies; or (t) to defend claims filed against the Association or to assert counterclaims in actions or proceedings instituted against it.

In the event any claim is made against the Declarant or any Enforcement Action is instituted against the Declarant, then the Association shall separately assess all Members other than the Declarant for all of the costs of the Enforcement Action, including, without limitation, attorney fees incurred or payable. Funds assessed and collected to pay enforcement fees and costs must be maintained in a separate account specifically designated and used solely for that purpose. Funds from annual assessments or reserves shall not be used to pay enforcement fees and costs.

Section 14.3 Right to Enter and to Correct or Cure. Should any Owner fail to satisfy or fulfil any obligation or responsibility under the Project Documents or to cure or correct any violation of the Project Documents, the Declarant and/or the Association shall have the right, power and authority to go upon the Owner's Lot and to take any action necessary to satisfy the Owner's responsibility or obligation or to correct and cure any violation. Any entry upon the Lot by the Declarant and/or the Association or their respective agents, employees or representatives under this section shall not be deemed a trespass. Actions permitted under this section shall include, but are in no way limited to, (a) removing or repairing non-conforming structures or improvements; (b) mowing, pruning, removing, clearing or cutting underbmsh, weeds or other vegetation and trash; and (c) grading, landscaping, and constructing and maintaining erosion prevention devises before or after improvements have been constructed. All expenses incun-ed by the Declarant and/or the Association in taking such action shall be charged to and collected from such Owner as a Special Individual Assessment under Section 5.5, including, but not limited to, administrative fees and costs, reasonable attorney's fees and interest at the maximum rate allowed by law. The Owner shall pay all such costs inclined within thirty (30) days after receipt by said Owner of an invoice from the Declarant or the Association setting forth the cost of such work.

Section 14.4 Limitation on Damages Recoverable. Consequential damages, exemplary damages, punitive damages, treble damages or any other damages which are greater than the compensatory damages or which are based on a multiple of compensatory damages shall not be recoverable by any party in any Enforcement Action, the right to recover such damages being expressly waived.

Section 14.5 Responsibility for Attorney Fees and Costs, Each pally in any Enforcement Action shall bear its own costs and expenses, including attorney fees.

Section 14.6 Amendments not Enforceable against Declarant without Consent. Any attempt to amend or eliminate any of the provisions in this Article shall not be binding upon or enforceable against the Declarant unless that Declarant consents in writing to the change.

Section 14.7 Conflicts. In the event of any conflict between this Article and any other provision of the Project Documents, this Article shall control. In the event any claim also falls within

the scope of a valid arbitration clause contained in the sales contract with an Owner, this Declaration shall control to the extent there is any inconsistency in the terms governing the arbitration.

Section 14.8 Waiver of Right to Jury Trial. If and to the fullest extent permitted by applicable law, all parties to any Enforcement Action waive any right to a jury trial.

Section 14.9 Use of Funds. In the event a claimant initiates any Enforcement Action against Declarant seeking damages for an alleged defect or deficiency, any judgment or award in connection therewith shall first be used to correct and/or repair the defect or deficiency found to exist or to reimburse the claimant for any costs actually incurred by such claimant in correcting and/or repairing the defect or deficiency found to exist. Any excess funds remaining after repair of any defect or deficiency found to exist shall be paid into the Association's reserve fund.

Section 14.10 Right of Action Restriction. Notwithstanding any other provisions contained herein, the Association shall not have the power to institute, pursue, join, intervene in, settle, or compromise litigation, arbitration, or other proceedings: (i) in the name of or on behalf of any Owner (whether one or more), or (ii) pertaining to a claim relating to the design, construction, or repair of a House, a Lot, or any improvements on a Lot. This Section may not be amended to remove or modify this right of action limitation and restriction with respect to the Declarant, any Declarant Affiliate or any Builder without the expressed written consent of such Declarant, Declarant Affiliate or Builder, which written consent must be recorded with the amendment.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1 Covenants Running with the Land. Each Owner, by his acceptance of a deed of conveyance for a Lot, accepts title to that Lot subject to all of the restrictions, conditions, covenants, reservations, liens, charges, jurisdiction, rights and powers created in and/or reserved by this Declaration. All rights, benefits and privileges of every character hereby granted, created, reserved, or declared, and all responsibilities and obligations hereby imposed, shall be deemed to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such person in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

<u>Section 15.2</u> <u>Construction</u>. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating, preserving, and maintaining the development and operation of a residential community.

Section 15.3 Waiver. No covenants, restrictions, conditions, obligations, or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur. There shall be no waiver of strict compliance with the provisions of the Project Documents except expressly and in a writing signed by the waiving patty.

- <u>Section 15.4</u> <u>Severability.</u> The invalidity of any covenant, restriction, condition, limitation, or any other provision of this Declaration, or of any part of the same, shall not impair or affect in any manner the validity or enforceability of the rest of the Declaration.
- Section 15.5 <u>Time Limits.</u> If any of the privileges, covenants, restrictions or rights created by this Declaration shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until the expiration of ninety (90) years from the date of recordation of this Declaration.
- <u>Section 15.6</u> <u>Headings.</u> The heading to each Article and Section of this Declaration is inserted only as a matter of convenience for reference and in no way limits or describes the scope or intent of such Article or Section, or this Declaration in general.
- Section 15.7 Use of Project Name and Trademarks by Residents and Owners. Declarant and/or its affiliates own numerous trademarks, including but not limited to the Project name and (collectively, "Marks"). Residents and Owners may not use the Marks in any way without Declarant's prior written consent, including without limitation (a) in domain names or in the names and titles of websites and social media pages, and (b) in the name of real estate or other businesses. Notwithstanding the foregoing, residents and Owners may use the Project name solely to indicate that a particular Lot is located within the Project.
- Section 15.8 Use of Project Name and Trademarks by the Association. The Association may not use the Marks in any way without Declarant's prior written consent, provided that the Association is permitted to use the mark Project name in its name. Immediately upon Declarant's request, the Association shall enter into a written trademark license agreement ("License") with Declarant and/or its affiliates, in form and substance satisfactory to Declarant in its sole discretion, with respect to the Association's use of the Marks. All use of the Marks by the Association, including but not limited to use of the Project name in its name, shall inure to the benefit of and be on behalf of Declarant and/or its affiliates and shall be subject to Declarant's and/or its affiliates' periodic review for quality control. The Association's breach of the License or failure to enter into the License upon Declarant's request shall entitle Declarant to terminate the Association's right to use the Marks, whether in the Association's name or otherwise.
- Section 15.9 Disclosure of Construction Activities. All Owners, Occupants and other persons who use the Property hereby are placed on notice that Declarant, Builder and/or their respective contractors, subcontractors, licensees, and other designees may, from time to time, conduct blasting, excavation, construction, and other activities within the Property. By the acceptance of a deed, leasehold, license, or other interest to any portion of the Property or by using any portion of a Lot or the Property generally, such Owners, Occupants and other persons acknowledge, stipulate, and agree: (i) such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (ii) not to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to the portion of the Property where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working homs); (iii) that Declarant, Builder and their respective contractors, subcontractors, licensees, and other designees shall not be liable but, rather, shall be held harmless for

any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities; (iv) that any acquisition or use of any portion of the Property was and will be made with full knowledge of the foregoing; and (v) this acknowledgment and agreement is a material inducement to Declarant and Builder to develop, construct, sell, convey, lease, and/or allow the use of the Property.

IN WITNESS WHEREOF. Declarant has executed this Declaration as of the day and year

first above written.	2, Social and this executed this Boolaintien as of the day and year
	DECLARANT: ECS DEVELOPMENT, LLC, a South Carolina limited liability company.
	By: Paul Aho President
Mitneys No. 1	
Witness No. 2 and Notary Public	
STATE OF NORTH CAROLIN	
COUNTY OF Spackanbur	ng
being by me duly sworn, says th acknowledged that said writing	bee,2023, personally came before me Paul Aho who at he is the PRESIDENT of ECS Development, LLC, and was signed by him, in his capacity as President of the authority duly given, and on behalf of the limited liability company.
Maurienfoour	ch
Notary Public	
My commission expires:	122/32
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Exhibit A

Description of the Property

All that certain piece, parcel or tract of land, with improvements thereon, lying situate, and
being in the State of South Carolina, County of Spartanburg, being shown and designated as lots 211
-285, containing 15.96 acres, more or less, on a plat prepared for ECS Development LLC., by
Souther Land Surveying dated January 26, 2022, recorded in the ROD Spartanburg County, S.C. in
plat book page

Exhibit B

BYLAWS OF

Cleveland Meadows Homeowners Association,

a South Carolina Nonprofit Mutual Benefit Corporation

ARTICLE I NAME, PRINCIPAL OFFICE, DEFINITIONS AND DECLARATION

- 1.1. Name. The legal name of the corporation is Cleveland Meadows Homeowners Association (the "Association"). No person, committee or group of Members, other than those elected by the membership, or appointed by the Board of Directors, shall use in their name the legal name "Cleveland Meadows Homeowners Association" or any variant thereof, or any other names, words or phrases that would tend to give the general public or the membership the impression that the person, committee, or group of Members is speaking for or on behalf of the Association.
- 1.2. <u>Principal Office</u>. The Association shall designate and maintain a principal office in accordance with the requirements of the South Carolina Nonprofit Corporation Act of 1994 (S.C. Ann. §§ 33-31-101, et seq.) (the "Act"), but meetings of Members and Directors may be held at such places as may be designated by the Board of Directors from time to time or as otherwise provided in these Bylaws.
- 1.3. <u>Definitions</u>. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CLEVELAND MEADOWS, (As amended, modified, and/or supplemented, the "Declaration"), unless the context indicates otherwise.
- 1.4. <u>Declaration</u>. The Declaration is hereby incorporated herein by this reference and made part hereof.

ARTICLE II PURPOSES AND POWERS

2.1 <u>Purposes</u>. The Association shall have the purpose of engaging in any lawful activity; however, without limiting the generality of the foregoing, some of the primary functions

of the Association include: (1) to perform those rights, powers, obligations, and functions of the Association set forth in the Declaration; and (2) to generally promote the health, safety, and welfare of the Owners and residents of the Community.

- 2.2 <u>Powers</u>. The Association shall have the power to do all things necessary or convenient, not inconsistent with law, to carry out its affairs and to further the activities and affairs of the Association, including, without limitation:
- (a) All powers, rights, and privileges which a corporation incorporated under the Act may now or hereafter have or exercise; and
- (b) All powers, rights, and privileges provided to the Association in the Declaration, the Articles of Incorporation, or these Bylaws.

ARTICLE III MEMBERSHIP

Membership in the Association shall be as set forth in Declaration, and the provisions of the Declaration pertaining to membership are specifically incorporated herein by this reference. The Association shall have two classes of membership, Class A and Class B, as more fully set forth in the Declaration.

ARTICLE IV MEETINGS OF MEMBERS; VOTING; NOTICE OF MEETINGS OF MEMBERS

4.1 Annual Meeting.

- (a) <u>Timing & Initial Annual Meeting</u>. A meeting of Members shall be held annually, and the annual meeting of the Members shall be held at a time, date, and place established by the Board of Directors, but no annual meeting of the Members shall be scheduled on a legal holiday. The first annual meeting of Members shall be held within one (1) year following the date of incorporation.
- (b) <u>Purpose and Agenda for Annual Meeting</u>. At each annual meeting, the President and Treasurer shall report on the activities and financial condition. Additionally, subject to any other provisions of these Bylaws, the Articles of Incorporation, the Declaration, or the Act requiring prior notice before certain matters may be brought before the Members at the annual meeting (including, without limitation, S.C. Code Sections 33-31-705(b) and 33-31-705(c)(2)), the Members may consider and act on any matters or business that may properly come before the annual meeting.
- (c) <u>Notice of Annual Meeting</u>. Notice of the annual meeting shall be given in accordance with Section 43 hereof.

(d) <u>Failure to Hold Annual Meetings</u>. The failure to hold an annual meeting at a time stated in or fixed in accordance with these Bylaws does not affect the validity of a corporate action.

4.2 Special Meetings

- (a) <u>Called by Board</u>. Special meetings of the Association's Members may be called by the Board of Directors and shall be held at a time, date, and place established by the Board of Directors. In the event that the number of Directors falls below three (3) for any reason, special meetings of the Members may be called by any officer or Director of the Association during any such period and shall be held at a time, date, and place established by the person(s) calling the special meeting.
- (b) <u>Called by Members</u>. Additionally, the Association shall hold a special meeting of the Members if the holders of at least five percent (5%) of the total eligible votes of the Association sign, date, and deliver to any officer of the Association a written demand for a special meeting describing the purpose or purposes for which it is to be held, or as otherwise proscribed by the Act. If a proper demand is made, the Board of Directors shall have the right to set the time, date, and place of the special meeting, and the Association shall cause notice of the special meeting to be given within thirty (30) days of the date that the written demand was delivered to an officer of the Association. If the Board of Directors does not cause notice of the special meeting to be given within thirty (30) days after the demand is delivered to an officer of the Association, a person signing the demand may thereafter set the time, date, and place of the meeting and give notice thereof in accordance with Section 4.3 hereof.
- (c) <u>Notice of Special Meetings</u>. Notice of special meetings of Members shall be given in accordance with Section 4.3 hereof. Only those matters that are within the purpose or purposes described in the meeting notice may be conducted at a special meeting of Members.

4.3 Notice of Meetings of Members; Waiver of Notice.

- (a) Notice of Meetings of Members In General. Written notice specifying the time, date, and place of a meeting of Members and, if required by the Act, the Articles of Incorporation, the Declaration, or these Bylaws, specifying the purpose or purposes for which such meeting was called, shall be given to all Members of record by depositing the same in the United States Mail, with first class postage affixed/prepaid, at least fifteen (15) days, but not more than sixty (60) days before the meeting date, addressed to the Member's address last appearing on the books of the Association.
- (b) Address for Notice. The address of notice shall be the address appearing on the county tax assessors records.

- (c) <u>Effective Date of Written Notice</u>. Written notice, if in a comprehensible form, is effective at the earliest of the following:
 - i. when received (an email shall be deemed to be received/delivered on the date that it is sent, if correctly addressed and if the sender does not receive an automated response indicating that the email was undeliverable).
 - ii. five days after its deposit in the United States mail, if mailed correctly addressed and with first class postage af fixed;
 - iii. on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee;
 - iv. fifteen days after its deposit in the United States mail, if mailed correctly addressed and with other than first class, registered, or certified postage affixed.
- (d) <u>Annual Meeting of Members</u>. Unless the Act¹, these Bylaws, the Declaration, or the Articles of Incorporation require otherwise, notice of the annual meeting of Members need not include a description of the purpose for which the meeting is called.
- (e) <u>Special Meeting of Members</u>. The notice of a special meeting of Members must state the purpose or purposes of the meeting. Only those matters that are within the purpose or purposes described in the meeting notice may be conducted at a special meeting of Members.
- (f) Waiver of Notice. A Member may waive notice of a meeting before or after such meeting. The waiver must be in writing, be signed by the Member, and be delivered to the Association for inclusion in the minutes of the meeting. Further, a Member's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. Additionally, a Member's attendance at a meeting waives objection to consideration of a particular matter at the meeting on the basis of improper notice of that particular matter (i.e., that such matter was required to be described in or identified as a purpose of the meeting in the meeting notice, but such matter is not within the purpose(s) described in the meeting notice), unless the Member objects to considering the matter when it is presented.
- 4.4 <u>Record Date for Meetings</u>. Members at the close of business on the business day preceding the day on which the meeting notice is first *transmitted* to any Member are entitled to notice of the meeting. For purposes of this Section, notice shall be deemed to be "*transmitted*"

The Act does require the notice of an annual meeting to include a description of certain types of matters that must be approved by the Members (including, without limitation, those matters identified in S.C. Code Section 33-31-705(c)(2)) and to identify certain types of actions to be taken at the annual meeting as a purpose of the annual meeting. Therefore, the Act should be consulted accordingly to ensure that proper notice is given.

on the date when the notice is deposited in the United States Mail in accordance with Section 4.3 (a). Members on the date of the meeting who are otherwise eligible to vote shall be entitled to vote at the meeting.

- 4.5 Adjournment of Meeting of Members; Notice of Adjourned Meetings. meeting of Members, whether or not a quorum is present, may be adjourned to a different date. time, and/or place. In the event that a quorum is not present, the meeting of Members may be adjourned to a different date, time and/or place by the Board of Directors. If a quorum is present, action to adjourn to a different, date, time, and/or place shall be approved in accordance with Section 4.8. Notice need not be given of the new date, time and/or place, if the new date, time, and/or place is announced at the meeting before adjournment, provided that the meeting is adjourned to a date not more than one hundred twenty (120) days after the record date for determining Members entitled to notice of the original meeting; such oral notification shall be considered proper notice and effective as of the date the oral notification is delivered. Members on the date of the adjourned meeting who are otherwise eligible to vote shall be entitled to vote at the adjourned meeting. If the meeting is adjourned to a date more than one hundred twenty (120) days after the record date for determining Members entitled to notice of the original meeting, notice of the adjourned meeting must be given in accordance with Section 4.3 and the record date for such notice shall be established in accordance with Section 4.4.
- 4.6 Members' List for Voting. After fixing a record date for notice of a meeting, the Board of Directors shall prepare an alphabetical list of the names of all Members who are entitled to notice of the meeting and shall list the Members by classification of membership. The list must show the address and number of votes each Member is entitled to vote at the meeting. The Board of Directors shall maintain a current and updated list of members who are entitled to vote at an upcoming meeting, including new Members that may not have been entitled to notice at the time it was transmitted. The list of Members must be made available for inspection in accordance with the Act.
- 4.7 Quorum for Membership Meetings. Unless otherwise provided by these Bylaws, the Articles of Incorporation, the Declaration, or the Act, the presence at a meeting, whether in person or by proxy, of Members entitled to cast ten percent (10%) of the total eligible votes in the Association shall constitute a quorum for the transaction of business. For each matter voted on, a quorum must exist at the time the matter is voted on.
- 4.8 <u>Voting Requirements</u>. Unless these Bylaws, the Articles of Incorporation, the Declaration, or the Act require a greater vote, if a quorum is present, the affirmative vote of the majority of eligible votes cast is required to approve an action. Members entitled to vote on a matter shall have as many votes as specified in the Declaration.

With respect to Class A Members, if a Lot is owned by more than one record owner, the vote for such Lot shall be cast as such record owners determine among themselves, and the following shall apply:

- (a) If only one record owner votes, the vote binds all.
- (b) If more than one record owner votes:

- i. If the votes cast are the same in all respects, then they collectively constitute the one (1) vote for the Lot on that matter.
- ii. If the votes cast differ in any respect, the vote for the Lot on the matter shall be deemed to be void and shall be treated as an abstention on the matter.

No vote attributable to a Lot may be split or fractionally cast.

- 4.9 <u>Proxies.</u> At all meetings of Members, Members may vote in person or by proxy. All appointments of proxies shall be by written appointment form, signed either personally or by an attorney-in-fact. An appointment of a proxy is effective when received by the Secretary (or other officer or agent authorized to tabulate votes). An appointment is valid for eleven (11) months unless a different period is expressly provided in the appointment form. However, no proxy shall be valid for more than three (3) years from the date of execution. An appointment of a proxy is revocable by the Member as follows: (i) attendance of the meeting by the Member appointing the proxy; or (ii) the signing of, and delivery to the Secretary (or other officer or agent authorized to tabulate votes), a written statement that the appointment is revoked. The death or incapacity of the Member appointing a proxy does not affect the right of the corporation to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary (or other officer or agent authorized to tabulate votes) before the proxy exercises its authority under the appointment form.
- 4.10 Action by Written or Electronic Ballot. Unless limited or prohibited by the Declaration, these Bylaws, the Articles of Incorporation, or the Act, any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written or electronic ballot to every Member entitled to vote on the matter. A written or electronic ballot shall: (1) set forth each proposed action; and (2) provide an opportunity to vote for or against each proposed action. Approval by written or electronic ballot pursuant to this Section is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written or electronic ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; and (c) specify the time by which a ballot must be received by the Association in order to be counted. A written or electronic ballot may not be revoked.
- 4.11 <u>Conduct of Meetings</u>. Robert's Rules of Order (latest edition) or such other rules as the Board of Directors may adopt shall govern the conduct of corporate proceedings when not in conflict with the Declaration, the Articles of Incorporation, these Bylaws or with the laws of the State of South Carolina.

ARTICLE Y BOARD OF DIRECTORS

- 5.1 <u>Number and Qualifications</u>. The Board of Directors shall have the ultimate authority over the conduct and management of the business and affairs of the Association. The Board of Directors shall be composed of three (3) Directors, each of whom shall be an Owner and Member in good standing of the Association (good standing determined at the discretion of the Board), in order to seek election to, or continue to hold a position on, the Board of Directors.
- Nominations & Nomination Committee. Nominations may be made by the membership upon call for nominations by the Board and/or from the floor of a physical meeting at which an election is held (nominations from the 'floor' at a virtual annual meeting is not permitted). If an election is being held by written or electronic ballot in lieu of a meeting, the Board must cause a notice for call for nominations to be sent out the Membership at least two (2) weeks prior the transmission of a written or electronic ballot for voting. Such notice of the call for nominations may be sent via mail or email to the Membership. The Board may appoint a Nominating Committee to nominate candidates for election to each position on the Board of Directors which is to be filled by the Members. If the Board does not appoint a Nominating Committee, for any reason, the Board shall serve as the Nominating Committee. If appointed, the Nominating Committee shall consist of a Chairman, who shall be a Director, and at least two (2) Members of the Association. The Board and/or Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine.

5.3 Election and Term of Office.

- The initial Board of Directors shall be appointed by the (a) Election Generally. Declarant and shall serve until the expiration of the Class B Control Period (as defined in the Declaration). Following the expiration of the Class B Control Period, at the next annual meeting thereafter, or by written or electronic ballot, the Members shall elect three (3) directors to serve as follows: (i) the candidate receiving the highest number of votes shall serve a term of three (3) years, (ii) the candidate receiving the second highest number of votes shall serve a term of two (2) years, and (iii) the candidate receiving the third highest number of votes shall serve a term of one (1) year. In the event of ties, the three directors receiving the highest number of votes shall determine amongst themselves which director will serve what term. the second At the first annual meeting following the expiration of the Class B Control Period. Thereafter, Directors elected shall serve a term of one (1) year or until their successors are elected. Members will elect Directors annually to fill an expiring seat at the scheduled annual meeting or by written or electronic ballot in accordance with Article V, Section 4.10 to be effective upon the expiration of the incumbent Director's term. One (1) vote per Lot may be cast with respect to each vacant seat to be filled on the Board. There shall be no cumulative voting.
- (b) <u>Election by Acclamation</u>. If the number of vacancies on the Board is equal to the number of qualified candidates, the President may declare that the nominees are elected by unanimous consent.
- 5.4 <u>Removal or Resignation</u>. Any Director appointed by the Declarant may be removed at any time by the Declarant. Any Director elected by the Members may be removed

from the Board of Directors, with or without cause, by the affirmative vote of at least fifty-one percent (51%) of the total eligible votes in the Association at a meeting of the Members called for the purpose of removing the Director, provided that the meeting notice states that the purpose, or one of the purposes, of the meeting is removal of the Director. The action to remove a Director must be voted on at a meeting of the Members, it cannot be accomplished by written or electronic ballot in lieu of meeting.

Any Director who is not in good standing with the Association, or who misses three (3) consecutive Board meetings (unless such absence shall have been excused by the President of the Association or other person(s) authorized to do so), may be immediately removed from the Board of Directors by the remaining Directors and replaced in accordance with these Bylaws.

A Director may resign at any time by delivering written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at a time later specified therein.

5.5 <u>Vacancies</u>. Vacancies in the Board of Directors (caused by any reason other than the removal of a Director by a vote of the Members) shall be filled by a vote of a majority of the remaining Directors, even though the Directors present at such regular or special meeting of the Board may constitute less than a quorum. Persons appointed to fill a vacant seat shall serve the remainder of the term of the Director being replaced or until a successor is elected. A vacancy on the Board of Directors shall not affect the validity of any decision made or action taken by the remaining Directors, so long as quorum is met and the action is approved in accordance with Sections 5.8 and 5.9 herein.

5.6 Meetings of Directors.

- a) Organizational Meeting. The first meeting of the Board following each annual meeting of the membership shall be held within thirty (30) days thereafter at such time and place as the Board shall fix.
- b) Regular meetings. Regular meetings of the Board of Directors shall be held quarterly, or more frequently, and at dates, times and places determined by a majority of the Board of Directors. Without the approval of all of the Directors, no meeting shall fall upon a legal holiday. No notice shall be required for regular meetings of the Board of Directors.
- c) <u>Special meetings</u>. Special Meetings of the Board of Directors shall be held when called by the President of the Association or any two (2) Directors, after not less than two (2) days' notice is given, either personally, by mail, or by telephone, to each Director, unless waived in writing signed by the Director or waived by attendance or participation of the director at the meeting without objection.
- d) <u>Executive session</u>. The Board may hold executive sessions from which others are excluded at a regular or special meeting, by affirmative vote of a majority of the Directors present at a meeting. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter shall be considered in the executive session.

- 5.7 <u>Participation by Telecommunications</u>. Any Director may participate in, and be regarded as present at, any meeting of the Board of Directors by means of conference telephone or any other telephonic or video conference means of communication by which all parties participating in the meeting can hear each other at the same time.
- 5.8 Quorum A majority of the Directors in office immediately before the meeting shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.
- 5.9 <u>Action</u>. Every act or decision authorized by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board of Directors. Directors shall not vote by proxy.
- 5.10 Action without Meetings. To the fullest extent permitted by the Act, the Board of Directors may take action without a meeting by written consent as to such matters and in accordance with such requirements and procedures authorized by the Act. Unless otherwise permitted in the Act, such written consent must be signed by all Directors and be included in the minutes filed with the corporate records reflecting the action taken.
- 5.11 <u>Compensation</u>. Directors shall not receive compensation for service on the Board of Directors.
- 5.12 <u>Obligation of Confidentiality</u>. Each Director shall have a continuing obligation to keep confidential any private or privileged information made available to the Director <u>pursuant</u> to his or her role on the Board.

5.13 Powers and Duties of Board.

- (a) <u>General Authority</u>. The Board shall be responsible for conducting the affairs of the Association and shall be authorized to exercise all rights and powers of the Association and to do all acts and things on behalf of the Association except those as to which the Declaration, the Act or the Articles of Incorporation specifically require to be done or approved by the Members generally. The Board shall have all powers necessary for the administration of the Association, including but not limited to, the power to:
 - i. Appoint committees, including an Architectural Review Committee, by resolution and to delegate the powers and duties appurtenant thereto;
 - ii. Adopt, amend and publish Rules and Regulations governing the use of the Property, including Common Areas, roads, rights-of-way, and Lots; and governing the conduct of the Owners, Occupants, Renters, guests and invitees thereon. Such Rules and Regulations shall include the establishment of penalties for violations of the Governing Documents, including monetary fines as Specific Assessments and Costs of Collection thereof, which shall form a lien on the Lot of the responsible Owner(s).
 - iii. Adopt, amend and publish Architectural Guidelines or delegate the adoption of guidelines to an Architectural Review Board; provided that any such guidelines

- shall have been approved by the Board:
- iv. Suspend the voting rights, the right to use all or any portion of the Common Area (with the exception of any streets or access ways), and/or any services provided by the Association, including without limitation architectural review services, during any period in which an Owner shall be in default in the payment of any assessment levied by the Association or for any other violation of the Governing Documents; and
- v. Employ a manager or other contractor, agent or employee of the Association and prescribe their duties.
- b) <u>Duties</u>. The Board shall be responsible for all duties prescribed by the Declaration, the Act, or other South Carolina or Federal law, including but not limited to the duty to:
 - i. Prepare and adopt, in accordance with the Declaration, an annual budget:
 - ii. Provide for the operation, care, upkeep, and maintenance of the Common Areas;
 - iii. Enforce the provisions of the Declarations, Bylaws, Rules and Regulations and Architectural Guidelines, if any, subject to the discretion of the Board pursuant to Section 5.14 below; and
 - iv. Obtain and carry property and liability insurance, and pay the cost thereof, and to adjust claims, as necessary or appropriate.
- 5.14 <u>Discretion of the Board</u>. The Board of Directors may determine whether to take enforcement action by exercising the Association's power to impose sanctions or commence an action for violation of the Governing Documents, including whether to compromise any claim for unpaid Assessments or other claims made by or against it. The Board's decision not to pursue enforcement shall not prevent the Board from taking enforcement in the future or under other circumstances, but the Board shall not be arbitrary or capricious in taking enforcement action.

ARTICLE VI OFFICERS

- 6.1 <u>Designation</u>. The principal Officers shall be the President, Vice President, Secretary and Treasurer and such other officers as the Board of Directors may from time to time by resolution create. Any two or more offices may be held by the same person, except the offices of President and Secretary. The President, Vice President, and Secretary must be Members and Directors of the then-current Board of Directors; the Treasurer need not be a Member or a Director of the then-current Board of Directors.
- 6.2 <u>Appointment and Term.</u> The Board shall appoint Officers at the first Board meeting following each annual meeting of the Members, to serve until their successors are appointed.
- 6.3 Removal or Resignation of Officers. Any Officer may be removed from office, with or Without cause, by a majority vote of the Board of Directors. Any Officer may resign at any time giving written notice to the Board of Directors, the President or the Secretary. Such

resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

- 6.4 <u>Vacancies</u>. A vacancy in any office may be filled by appointment by the Board of Directors.
- 6.5 Powers and Duties of Officers. The Association's Officers shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically impose upon them. The President shall be the Chief Executive Officer of the Association. The Secretary shall have the duty to ensure that meeting minutes are taken, that membership lists are maintained, and that proper notices are sent; the Secretary may delegate all or part of these duties to a management agent. The Treasurer shall have primary responsibility for preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a management agency.
- 6.6 <u>Special Appointments.</u> The Board of Directors may appoint such other Officers, agents, or entities to perform duties on behalf of the Association. The Board of Directors shall determine, in its sole discretion, the qualifications, authorities, and duties of such appointees and shall have the authority to remove them in its sole and absolute discretion.
- 6.7 <u>Compensation of Officers</u>. No Officer shall receive any compensation from the Association for his or her service as an officer.

ARTICLE_YII ADMINISTRATION

- 7.1 <u>Agreements, Contracts, Deeds, Leases, Checks, etc.</u> All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by the President or by such other person or persons as the Board may designate by resolution.
- 7.2 <u>Bonds</u>. At the discretion of the Board of Directors, fidelity bonds may be required on all Directors, Officers, and any other persons, employees, or entities handling or responsible for the funds of the Association such as a managing agent. The amounts of such bonds shall be determined by the Board, but if it is determined that bonds are to be obtained, they shall be at least equal to the amounts to be handled at any point by that person or entity. Unless verification that the bonds have been provided by such person or entity is obtained by or provided for the Board of Directors, the premiums for these bonds shall be paid by the Association as a common expense.
- 7.3 Management Agent. The Board may employ for the Association a professional management agency or agent at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making or decision-making authority or ultimate responsibility for those duties.

ARTICLE VIII ACCOUNTING AND FINANCIAL MATTERS

- 8.1 <u>Fiscal Year</u>. The fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.
- 8.2 <u>Deposits</u>. All funds of the Association shall be treated as the separate property of the Association and shall be deposited in a bank or other federally insured depository institution as shall be designated from time to time by the Board of Directors. Withdrawal of funds shall only be by checks signed by such persons as are authorized by the Board of Directors.
- 8.3 Reserve. In the event the Board of Directors uses funds collected and held in the Association's reserve account(s), the Board of Directors shall make reasonable attempts to replenish the reserve account(s) in a reasonable amount by reasonable means authorized by the Declaration, or by allocation of funds in the operating count as reasonable and appropriate.
- 8.4 Borrowing Funds. The Association shall have the power to borrow money for any legal purpose; provided that Members representing at least fifty-one percent (51%) of the total eligible votes of the Association shall have approved such action.

ARTICLE IX COMMITTEES

The Board of Directors may from time to time by resolution, designate and delegate authority to one or more committees, including, without limitation, an Architectural Review Board and a Nominating Committee. Any such committee shall serve at the pleasure of the Board and shall be chaired by a Director.

ARTICLEX BOOKS AND RECORDS

- 10.1 <u>Corporate Records</u>. When consistent with good business practices, any records of the Association required by the Act may be maintained in any format so long as the records can be reproduced in written form in a reasonable time.
- 10.2 <u>Inspection Rights</u>. The Members shall have only such rights to inspect records of the Association to the extent prescribed by the Act and according to the procedures and limitations thereof. The Association may charge reasonable fees for the time and cost incurred in providing the records for inspection or copies of the books and records. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association.

ARTICLE XI INDEMNIFICATION

- 11.1 Scope. The Association shall indemnify, defend and hold harmless the Association's Directors and Officers to the fullest extent permitted by, and in accordance with the Act. This plan of indemnification shall constitute a binding agreement of the Association for the benefit of the Directors and Officers as consideration for their services to the Association. Such right of indemnification shall not be exclusive of any other right which such Directors, Officers, or representatives may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any Bylaw, agreement, vote of Members, insurance, provision of law, or otherwise, as well as their rights under this Article. The Association shall pay for or reimburse the reasonable expenses incurred by the Director or Officer who is a party to a proceeding in advance of a final disposition of the proceeding if the Director or Officer complies with the terms of the Act.
- 11.2 <u>Insurance</u>. The Board of Directors may cause the Association to purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Association, against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Association would have the power to indemnify such person.

ARTICLE XII ENFORCEMENT PROCEDURES

The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Governing Documents, including but not limited to, the right to file suit, based on law or equity, to enforce the terms of the Governing Documents, and/or the right to assess monetary penalties in the form of specific assessments in accordance with the Declaration for violation of the Governing Documents. Such remedies, including any other remedies authorized by the Declaration, are not mutually exclusive.

ARTICLE_XIII MISCELLANEOUS

13.1 Amendments.

- a) By the Members. These Bylaws may be amended by the affirmative vote of fifty-one percent (51%) of the total eligible votes in the Association at a duly called annual or special meeting of the Membership; or in lieu of a meeting, by a written or electronic ballot.
- b) By the Board of Directors. In addition to the foregoing, the Board of Directors shall, at any time and from time to time, have the right (but not the obligation) to cause the

Bylaws to be amended to correct any clerical or scrivener's errors or to conform to the requirements of the Federal Housing Administration or the Veterans Administration or the Federal National Mortgage Corporation, FHLMC and such other secondary market agencies as the same may be amended from time to time.

13.2 Conflicts.

- With Articles or Declaration. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.
- b) With the Act. In case of any conflict with the mandatory provisions of the Act, the mandatory provisions of the Act shall control.

Interpretation. The Board shall interpret the terms of these Bylaws and its interpretation shall be final.

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EXHIBIT C

Cleveland Meadows Homeowners Association, Inc.

("Association")

Community Handbook

Restrictions

Owner Maintenance Responsibilities

Rules and Regulations

Architectural Approval Procedures, Guidelines and Standards

Must Record in SC!

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Article 1. Introduction

This Handbook is adopted and published by the Board of Directors of the Association pursuant to the provisions of the **DECLARATION OF COVENANTS**, **CONDITIONS AND RESTRICTIONS FOR CLEVELAND MEADOWS** which is recorded in the Spartanburg County Public Registry ("Declaration"). It is intended to provide Owners with important information about Cleveland Meadows ("Community") and about the rights and responsibilities of Owners.

This Handbook does not replace the terms and provisions of the Declaration or the Bylaws of the Association, Inc. ("Bylaws"). In the event of any term or provision contained in this Handbook conflicts in any way with the terms and provisions contained in the Declaration or the Bylaws, the terms and provisions contained in the Declaration or the Bylaws will control. Capitalized terms not defined in this Handbook shall be defined as set forth in the Declaration.

This Handbook supersedes and replaces all previously adopted rules and regulations and all previously published architectural approval procedures, guidelines, and standards.

Article 2. Restrictions

Article XI of the Declaration sets forth the USE RESTRICTIONS that are applicable to all Lots and Property within the Community and that must be observed all Owners and occupants as well as their families and guests while in the Community. Compliance with all of the Use Restrictions set forth in Article XI is mandatory. In the event any of the provisions of this Handbook, including any Rules and Regulations set forth in Article 4, are inconsistent with or conflict with any of the provisions of Article XI of the Declaration, the terms and provisions in Article XI shall control; provided, however, that Rules and Regulations adopted pursuant to Article XI, Section 11.27 may be more restrictive than the Use Restrictions in the Declaration.

Article 3. Owner Maintenance Responsibilities

Article VIII, Section 8.2 details the maintenance obligations and responsibilities of every Owner. Every Owner is strongly urged to become familiar with the provisions of Section 8.2 and with the rights of the Association under Section 11.27 (Rules and Regulations), and in Article XIV. A failure by Owner to fulfill the maintenance responsibilities and duties set forth in Article VIII may result in enforcement action by the Association, including, but not limited to, administrative fines and penalties as permitted by law.

Article 4. Rules and Regulations

The Association has adopted the following rules and regulations as permitted under Article XI, Section 11.27 of the Declaration and South Carolina law. Compliance with these rules and regulations is mandatory. The Association has the power to enforce compliance with these rules and regulations as provided in Section 11.27 (Rules and Regulations), and in Article XIV of the Declaration and by South Carolina law.

Section 4.01	Signage		
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Signs are permitted only as allowed in Section 11.21 of the Declaration.

Section 4.02 Parking on Common Area

- (a) Common Area facility parking lots are to be used only while using the Common Area facilities. Parking in Common Area Facility parking lots at any other time is strictly prohibited and vehicles are subject to being towed at the Owner's expense.
- (b) No boat, trailer, recreational vehicle, camper, camper truck or commercial vehicle shall be parked, stored, or left on the Common Area. A "commercial vehicle" as defined by the Association shall mean any vehicle having a carrying capacity and/size designation greater than or equal to three-fourths (3/4) of a ton; any vehicle other than a law enforcement vehicle bearing a company name or logo, unless used as the primary source of transportation; any vehicle with ladders or racks on top or in truck bed; and any "box" van or truck. Additionally, the Board reserves the right to further define a vehicle as "commercial" if said vehicle is used primarily for commercial purposes other than commuting to and from the workplace.
- (c) Vehicles that are not parked and/or stored in compliance with the requirements of Section 11.13 of the Declaration or this Section 4.02 are subject to being towed at the Owner's expense.

Section 4.03 Pets

- (a) Pets must be on a leash and restrained whenever they are outside of a fenced-in area of the Community.
- (b) The Board of Directors of the Association has the exclusive right at any time to exclude or have removed from the property certain animals and/or particular breeds of an animal that in its sole discretion it finds to be an unreasonable annoyance, inconvenience, a menace or threat, nuisance or creates an unsanitary condition within the Community. Pit Bulls and Rottweilers have been determined to be savage and/or dangerous and are not permitted within the Community.
- (c) Owners are responsible for cleaning up any mess that a pet creates in Common Areas, or on any Lot or private property within the Community.
- (d) Owners are responsible for their animals' actions and are solely liable for any damages or injuries caused by their animals.
- (e) Each home is limited to three (3) pets.
- (f) Animals creating a nuisance to residents shall not be tolerated including noise issues (excessive barking, growling, howling, etc.). Should a nuisance become persistent, please contact Animal Control for their assistance.

Article 5. Architectural Approval Procedures, Guidelines and Standards

Compliance with the standards and procedures in this Article is required but does not constitute the sole basis for review of applications submitted under Article IX of the Declaration, nor does it guarantee the approval of any submission or application. Each application must be presented to the Reviewer designated under Article IX of the Declaration ("Reviewer") and will be approved or denied based on its own merit. The Reviewer has the discretion and right to consider any and all factors it deems relevant. REVIEWER DECISIONS MAY BE BASED ON PURELY AESTHETIC CONSIDERATIONS. Each Owner and Member of the Association acknowledges that determinations as to such matters are discretionary and that opinions may vary as to the desirability and/or attractiveness of the proposed addition or modification. Decisions are made on a case-by-case

basis, and although a modification or addition may have been approved in one instance, there is no guarantee that it will be approved again. The requirements of both the Declaration and this Handbook should be reviewed by owners before applying for approval to the Reviewer.

All proposed construction, landscaping, modifications, and additions to homes and Lots within the Community require application to and prior approval of the Reviewer as provided in Article IX of the Declaration. Any Owner who initiates construction, landscaping, alterations, additions, improvements or repainting without prior written approval from the Reviewer risks having to correct or remove said action at his/her own expense.

Architectural Approval Procedures

All applications must comply with Article IX of the Declaration, must be submitted using the forms provided and approved by the Association, and must include a detailed description of the planned project, including the following information, as applicable:

- * Size of structure
- Height
- * Wall material
- * Location
- * Utilities (water, electric)
- Estimated length of construction
- * Roof design
- * Roof material * Exterior finish
- * Quantity
- * Detailed drawing
- * Photos showing location of proposed item
- Photos of proposed materials/design

Guidelines and Standards

Section 5.01 Standards Applicable to All Applications and Approvals Given

All construction, and improvements, including modifications and additions, must be permitted as required by law and must comply with all applicable building codes. All projects must be completed as required in Section 11.14 of the Declaration. All utilities must be underground. Written Reviewer approval is required in every case as provided in Section 9.7 of the Declaration.

Section 5.02 Fences and Retaining Walls

- (a) Subject to subsections (i) and (j) below, only black picket fencing in decorative metal will be approved in the Community.
- (b) Subject to subsections (i) and U) below, the minimum height for fences is four feet (4'). The maximum height for fences is five feet (5'). Spacing between pickets shall be no less than 1 ½ inches and all such pickets shall be installed on the exterior facing away for the area that is fenced.
- Fences are not permitted in the front yard and must tie into the home at the <u>furthest back rear comers</u> of the House. Under no circumstances may an applicant erect a fence outside of the property line. In the event of an obstacle, the Owner must shift the fence inside the boundary line of the Lot.
- Fences installed on corner Lots along the property line adjacent to the side street must be installed parallel to the side street and cannot extend past the side street setback line as shown on the survey or recorded plat.
- (e) No perimeter fence shall be erected on any berm of dirt located on a side or rear Lot line.

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- (f) Connection of fences on adjacent Lots is required. Owners submitting plans for new fence installation that will connect to a neighboring fence shall communicate their plans for connecting with the adjoining fence Owner and obtain permission from the adjoining Lot Owner for the connection.
- (g) Two fences will not be approved on or along the same property line.
- (h) All fences must comply with Article XI, Section 11.6 of the Declaration.
- (i) Notwithstanding subsection (a) above, screen fencing not to exceed six (6) feet in height may be erected around a patio, deck, inground pool or sanitary containers but must not be visible from any street or Roadway, must be located in the Rear Yard and must not be closer to the side property lines than the rear comers of the House. Screen fencing materials must be approved by the Reviewer.
- G) A standing variance from the fencing restriction in the Declaration and from subsections (a) and (b) above is granted to all Owners of Lots with a rear property line adjacent to a parcel located outside of the Property which allows them to install a solid privacy fence along the rear property line that is adjacent to a parcel located outside of the Property, provided that such fence shall not exceed six feet (6') in height and that the design, materials and color of the fence shall be approved in advance by the Reviewer.
- (k) All fences and walls shall be maintained in a structurally sound and attractive manner and in compliance with the CWS.
- (I) Retaining wall requests should include plans to address and control storm water drainage.
- (m) Any Owner wanting a variance from the requirements set forth in this section shall apply to the Reviewer for a variance. The decision on whether or not the grant a variance shall be in the sole and absolute discretion of the Reviewer and the Reviewer's decision with regard to the variance request shall be final and non-appealing.

Section 5.03 Fireplaces, Fire Pits and Grills

Permanent fire pits and outdoor fireplaces require approval prior to installation.

Section 5.04 Canopies and Pergolas

Canopies and pergolas are permitted but only over the rear patio, may not be visible from the street and must be approved by the Reviewer prior to installation.

Section 5.05 Play and Exercise Equipment

- (a) All swing sets, backyard play structures, soccer nets and other play and exercise equipment require architectural approval prior to installation and may not exceed 12 feet (12') in height.
- (b) All play and exercise equipment must be located and kept outside the building setback lines/areas and must not be visible from the street.
- (c) Wooden, stained (natural color) swing sets and plastic play structures are permitted.
- (d) Trampolines are prohibited as provided in Article XI, Section 11.12 of the Declaration.

Section 5.06 Basketball Goals

- (a) Permanent basketball goals are permitted in the Community but must be approved prior to installation. Portable basketball goals are prohibited as provided in Article XI, Section 11.12 of the Declaration.
- (b) The hoop must be mounted into the ground with a 20 ft. setback from the curb. Additionally, the backboard must be parallel to the driveway so as to not encourage street play. No basketball goals may be attached to the House.

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(c) Light attachments are not permitted on any basketball goals nor is excessive lighting allowed that would encourage basketball play during nighttime hours.

Section 5.07 Landscaping

- (a) <u>Lawns</u>: To ensure aesthetic consistency, all grass installed/planted on Lots in the Community shall be the same and shall not be changed from the type originally installed/planted on the Lot; <u>provided, however</u>, the Declarant has the right to install other types of grass for landscaping purposes. Over-seeding of any portion of the Lot with any other type of grass is prohibited. The grass area between the sidewalk and the street is the responsibility of the Owner to maintain.
- (b) <u>Plant Materials</u>: ANY significant changes or additions from builder installed plant materials require architectural approval prior to installation. Exceptions are annuals in existing plant beds, which may be planted without approval. Any landscape material which dies on a residential Lot shall be promptly removed and replaced by the Owner with the same or similar plant material, as the Owner shall be responsible for watering and maintaining plants and grass.
- (c) <u>Plant Beds:</u> Additional plant beds or expansions of existing plant beds may be approved but require architectural approval.
- (d) Ground Cover for Landscaped Beds: ONLY pine needles, natural colored wood mulch or natural-colored engineered rubber mulch are allowed in plant beds (natural colors include light brown, brown or black). To ensure aesthetic consistency, colored rocks (including white) and gravel will not be approved. Landscape stones (larger than colored rocks or gravel) may be approved after review by the Reviewer.
- (e) <u>Edging / Borders</u>: Edging and/or borders around plant beds may be approved but require advanced architectural approval. Stone border colors must be of natural stone color only. Red brick is not permitted.
- (<u>Vegetable Gardens</u>: Vegetable gardens are prohibited in front and side yards. Small gardens may be approved in Rear Yards but require advanced architectural approval and cannot be visible from the street fronting the home.
- (g) General landscaping and plantings: No plantings are permitted within any swale or easement area located on a Lot. Any landscaping or plantings on a Lot must be consistent with the street scape and general landscaping design for the community. No plantings may be installed any closer than two (2) feet to the property line in order to ensure the planting does not encroach onto the neighboring property at the time of maturity.

Section 5.08 Doghouses, Dog Pens and Dog Runs

- (a) One doghouse per Lot may be approved by the Reviewer provided that it is located in the Rear Yard of a residence and not visible from the street and may not exceed 2' x 3' x 3' feet in dimension.
- (b) Dog pens and runs are prohibited under Article XI, Section 11.29 of the Declaration.

Section 5.09 Exterior Lighting

- (a) Eave-mounted floodlights and low-level landscape lighting must be approved in advance of their installation.
- (b) Any changes to the exterior light fixtures must be approved by the Reviewer in advance of their installation.

Section 5.10 Swimming Pools and Hot Tubs

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- (a) In-ground swimming pools must be approved in advance by the Reviewer. All approved in-ground swimming pools must be enclosed within an approved perimeter fence enclosing the entire Rear Yard.
- (b) Above-ground pools are prohibited as provided in Section 11.28 of the Declaration.
- (c) Hot tubs must be approved prior to installation and must be located on the rear patio of the home, adjacent to the House and screened from view from neighboring properties.

Section 5.11 Decks and Patios

- (a) Decks and patios cannot extend into a side yard beyond the side plane of the home or into any side yard setbacks.
- (b) Decks and patios cannot be located within any swale or easement.
- (c) Decks must be waterproofed, sealed or stained a natural wood color.
- (d) Ground-level patios must be constructed of concrete, stone, or brick pavers.
- (e) Any approval given by the Association for a deck or patio is with regards to Association architectural matters only. The Owner is solely responsible for and must adhere to all municipality permitting, zoning, regulatory requirements and impervious restrictions that may apply to the Lot and the construction of any deck or patio.

Section 5.12 Satellite Dishes and Solar Panels

- (a) Subject to the provisions and requirements of the Telecommunications Act of 1996, as amended, no Owner shall construct, install, erect, or maintain any outside television or radio pole or receiving antenna, including a satellite dish antenna, and no outdoor television antenna or satellite dish may be erected or installed by an Owner or permitted by an Owner to remain on his or her Lot, without the express written approval of the Reviewer.
- (b) The preferred location for permitted satellite dishes is to be mounted on the House.
- (c) Permitted satellite dishes shall be mounted in a location so as not to be visible from any street or screened with screening material approved by the Reviewer so as not to be visible from any street.
- (d) Solar panels are permitted within the Community but must be approved in advance by the Reviewer.
- (e) Solar panels should be installed on the rear roof of the House and not visible from the front street view.

Section 5.13 Exterior Colors, Shutters and Window Boxes

- (a) All exterior changes including, but not limited to, painting, staining and shutter replacement require approval from the Reviewer. All proposed exterior changes must conform to the original scheme designed by the builder and may not be the same colors as an adjoining property.
- (b) Any changes outside of the original colors on the home must be approved prior to any changes made.
- (c) Any window box addition must be approved prior to installation and colors are required to compliment what currently exists on the home. No artificial plants or flowers are allowed in the boxes.
- (d) The exterior surface on additions must match those on existing structures.

Section 5.14 Storm Doors and Screen Doors

- (a) Storm doors color choice and hardware must compliment the colors on the exterior of the home.
- (b) Storm doors on the front of the home must be full-view with interchangeable glass/screen or full-view with single bar across the middle no wider than 2 inches. The frame must be consistent in width around the entire door (no solid panels at the bottom). See Appendix A for an approvable sample.

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Section 5.15 Flags and Poles

- (a) One (1) flag up to three feet by five feet (3' x 5') in size attached to a flagpole mounted to the home may be approved. The pole may not exceed four inches (4") in diameter and sixty inches (60") in length.
- (b) Only House mounted flag poles are allowed.

Section 5.16 Window Treatments and A/C Units

- (a) Blinds, draperies, shades, and plantation shutters in neutral colors are permitted and do not require architectural approval.
- (b) Window air conditioning units and/or garage air conditioning units or fans are permitted only if and as approved in advance by the Reviewer.

Section 5.17 Trash Containers

- (a) Trash cans and recycle bins must be stored and screened as provided in Section 11.19 of the Declaration.
- (b) Enclosures for trash cans and recycle bins must be located in the rear yard which is the area within each Lot bounded by the plane established by the rear facade of the House and the rear and side property lines. In exceptional circumstances, enclosures for trash cans and recycle bins may be located on the side yard but only if the enclosure is constructed of the same materials and colors as the existing House and only if the enclosure is located at the farthest rear corner of the House that is the greatest distance from a street.
- (c) Screening should conceal containers from the view of neighboring Lots and Roadways and must be approved by the Reviewer. (See Appendix A for allowable samples)

Section 5.18 Garden Art and Water Features

- (a) Front yard garden art of any kind taller than 2 ft. require approval prior to installation.
- (b) Fountains and/or water features of any kind in the front yard will not be approved.

Section 5.19 Driveways.

(a) Driveway extensions are permitted provided the extension does not encroach within the right-of-way and does not extend beyond the House-side of the sidewalk.

Article 6 Enforcement

In the event that an Owner, occupant, tenant, or guest fails to comply with any provision of the Declaration, the Association's bylaws or the rules, regulations and requirements set forth in this Handbook, he/she may be the subject enforcement action by the Association, including, but not limited to, the imposition of fines and suspension of privileges and services as permitted under South Carolina law.

Appendix A. Examples

APPROVED STORM DOORS FRONT OR BACK OF HOME:



APPROVED STORM DOOR FOR BACK OF HOME ONLY:



Approved Landscape Bed Ground Cover Natural Light Brown, Brown, or Dark Brown Mulch







Natural Colored Landscaping Stones - Approved







Landscaping Rocks or Pebbles Not Allowed







Approved Examples of Trash Enclosures for Rear Yards only. Color must compliment or match the exterior façade.









