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**DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
MADISON GREEN SUBDIVISION, PHASES I & II**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (this "Declaration") is made on the date hereinafter set forth by Beachwood, LLC, a limited liability company organized and existing under the laws of the state of Indiana and authorized to do business in the state of South Carolina (hereinafter, the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in York County, South Carolina, which parcel is more particularly described in Exhibit "'A'" hereto, which description is incorporated herein by reference (hereinafter, the "Property"); and

WHEREAS, the Property is located and situate within a larger development known generally as the Regent Park Community (hereinafter, "Regent Park"), which development is subject to a set of covenants, restrictions and limitations as are more particularly described herein, and which covenants, restrictions and limitations shall also apply to the Property; and

WHEREAS, Declarant desires to create on the said Property an exclusive residential community of single-family homes to be known as the Madison Green Subdivision, Phases I and II (hereinafter, the "Subdivision"); and

WHEREAS, Declarant desires to provide for the maintenance and upkeep of the common areas within the Subdivision, to provide for enforcement of covenants and restrictions applicable to the Subdivision, and to therefore subject the Property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth or otherwise applicable to the Property, each of which is and all of which are for the benefit of the said Property and for the benefit of each owner within the Subdivision; and

WHEREAS, Declarant desires that the common areas within the Subdivision be conveyed into an eleemosynary organization, which organization shall own, maintain and administer the common areas within the Subdivision, administer and enforce the covenants and restrictions applicable to the Subdivision, and collect and disburse the assessments and charges hereinafter created or otherwise applicable to the Subdivision; and

WHEREAS, Declarant further desires the ability, if deemed necessary within the sole and exclusive discretion of Declarant, to create such an eleemosynary organization to carry out the functions set forth above, said organization to be formed, if at all, as a not-for-profit corporation

John Evers

under South Carolina law, and shall be named and known generally as the Madison Green Homeowners' Association, Inc.;

NOW, THEREFORE, Declarant hereby states, proclaims and declares that the Property and all additions thereto as may hereafter be made pursuant to Article II hereof is now and shall henceforth be owned, held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, all of which shall run with the Property and shall be binding on all parties owning any right, title or interest in the said Property or any part thereof, together with the heirs, personal representatives, successors and assigns of all such owners, and all of which covenants, conditions, restrictions, easements, charges and liens shall inure to the benefit of each owner thereof.

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ARTICLE I
Definitions

“Association” shall mean and refer to either (i) the Madison Green Homeowners’ Association, Inc., if and when such an organization is formed as a not-for-profit corporation under the laws of the state of South Carolina, or (ii) the Regent Park Community Owners’ Association. The term “Association” shall, if not expressly designated as either of the above owners’ organizations, be construed strictly in the context of the section or sub-section in which said term is included, so as to specifically refer to one organization or the other.

“Board of Directors” or “Board” shall mean and refer to the Board of Directors of the Madison Green Homeowners’ Association, Inc., if and when such association is formed and incorporated as provided herein.

~~“Builder” shall mean and refer to any person, firm or entity to whom or to which Declarant conveys one or more Lots within the Property for the purpose of constructing a Dwelling or Unit thereon.~~

“Common Area” shall mean and refer to any and all real property, together with any improvements thereon, shown on any recorded subdivision plat of the Property, with the exception of any Lots, as said term is defined in this Declaration, and any public or private street rights-of-way as same are shown on any recorded subdivision plat of the Property. Except as otherwise provided in this Declaration, and unless all or any party of the Common Area is dedicated to public use or conveyed to any governmental or quasi-public entity, the Common Area (including private roads) shall be maintained by the Regent Park Community Owners’ Association, Inc. or by the Madison Green Homeowners’ Association, Inc., as the case may be.

“Declarant” shall mean and refer to Beachwood, LLC, a limited liability company organized and existing under the laws of the state of Indiana and authorized to conduct business in the state of South Carolina. It shall also mean and refer to any person, company or entity to whom or to which Declarant may assign or delegate the rights and obligations of Declarant by an assignment of Declarant’s rights recorded in the Office of the Clerk of Court for York County, South Carolina.

“Dwelling” or “Unit” shall mean and refer to any building or portion thereof within the Property which is designated and intended for use and occupancy as a residence by a single family, whether by the Owner of such Unit or by tenants or lessees of the Owner thereof.

“Lot” shall mean and refer to any plot, piece or parcel of land, with delineated boundary lines, as shown on a recorded subdivision plat of the Property, with the exception of any Common Area owned in fee by either of the Regent Park Community Owners’ Association or the Madison Green Homeowners’ Association, and also excepting any public street rights-of-way as shown on any such recorded plat. In the event that any Lot is increased or decreased in size by combination or re-subdivision by recording of a new subdivision plat, any newly platted parcel shall thereafter constitute a Lot within the meaning set forth herein.

"Madison Green Homeowners' Association" shall mean and refer to the Madison Green Homeowners' Association, Inc., when and if formed pursuant to this Declaration as a not-for-profit corporation under the laws of the state of South Carolina, together with the successors and assigns of same.

"Member" shall mean and refer to any person or entity holding membership in either of the Madison Green Homeowners' Association or the Regent Park Owners' Association by virtue of ownership by such person or entity of an interest in a Lot or Lots within the Subdivision. For purposes of this Declaration, and unless specifically stated to the contrary, the terms "Member" and "Members" shall specifically exclude those persons or entities holding membership in the Regent Park Owners' Association but not having any ownership interest in any Lot within the Madison Green Subdivision. Further, the terms "Member" and "Members" shall, if not expressly designated as relating to either of the above owners' organizations, be construed strictly in the context of the section or sub-section in which said term is used, so as to specifically refer to one organization or the other.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot within the Subdivision, including contract sellers, but excluding those having an interest in a Lot solely as security for the performance of an obligation.

"Property" shall mean and refer to the property described in Exhibit "A" to this Declaration, together with any additional property annexed pursuant to Article II of this Declaration.

"Regent Park Owners' Association" shall mean and refer to the Regent Park Community Owners' Association, Inc., a not-for-profit corporation organized and existing under the laws of the state of South Carolina, pursuant to the terms of the Regent Park Restrictive Covenants, together with the successors and assigns of same.

"Regent Park Restrictive Covenants" shall mean and refer to those covenants, restriction and conditions as set forth and published in the Amended and Restated Declaration of Covenants, Restrictions and Limitations, and Provisions for Membership in Regent Park Community Owners' Association, Inc., which covenants and provisions are filed of record at Book 1087, Page 87 in the office of the Clerk of Court for York County, South Carolina, and which covenants and provisions are made particularly applicable to the Property herein described by Fourteenth Amendment dated April 4, 2003 and filed of record at Book 5170, Page 66 in the office of the Clerk of Court for York County, South Carolina, together with all such other amendments as have been and may in the future be appended thereto, and as such covenants and provisions may from time to time be restated pursuant to the provisions thereof.

ARTICLE II

Property Subject To This Declaration and Within the Jurisdiction of the Owners' Associations

Section 2.01 Existing Property

The Property described above and more fully set forth on Exhibit "A" hereto shall be held, transferred, sold, conveyed, used and occupied subject to this Declaration as of the date of recording hereof. By Fourteenth Amendment to the Regent Park Restrictive Covenants, which

amendment is filed of record at Book 5170, Page 66 in the office of the Clerk of Court for York County, the Property is within the jurisdiction of the Regent Park Owners' Association. The Property shall also be within and subject to the jurisdiction of, if and when formed, the Madison Green Homeowners' Association.

Section 2.02 Annexation of Additional Property

At any time prior to December 31, 2015, and at any time thereafter during which Declarant owns at least one Lot within the Subdivision, Declarant may annex additional lands into the Subdivision without the consent of the other Owners, which lands will therefore become subject to this Declaration upon the recording by Declarant of (a) a plat showing the property to be annexed, and (b) a supplementary declaration extending the operation and effect of this Declaration to said property. Any lands so annexed must be contiguous to the Property already subject to this Declaration. Any lands annexed pursuant to this section may be so annexed and subjected to this Declaration as one parcel or as several parcels, at one time or at different times. ~~The annexation of additional property pursuant to this section may increase the cumulative number of Lots within the Subdivision and may therefore alter the relative voting strengths of the various classes of Members.~~

A supplementary declaration may contain complementary additions to or modifications of these covenants and restrictions. The terms of such additions or modifications may include, without limitation, provisions for differing voting rights and differing assessments, both annual and special, for the Lots or Units so annexed, as Declarant, in Declarant's sole discretion, may deem necessary or appropriate to reflect the different character or use of the additional property. In no event, however, shall any supplementary declaration revoke, modify or add to these covenants and restrictions so as to materially and adversely affect any portion of the Property already subject to this Declaration. A supplementary declaration annexing additional property need be executed only by the Declarant and, if applicable, by the owner of the property being annexed.

Nothing contained in this Article shall be construed as to obligate or require Declarant to make any such additions or annexations to the Property.

Section 2.03 Conveyance of Common Areas in Annexed Property

Promptly upon request of Declarant, the owner or owners of the annexed property shall convey all common areas, if any, located within the newly annexed property to either (i) the Declarant, (ii) the Madison Green Homeowners' Association, or (iii) the Regent Park Owners' Association, as Declarant shall designate. Title to such common areas shall be conveyed in the same manner as set forth in Section 4.03 or Section 4.04, as applicable, of Article IV of this Declaration.

Section 2.04 Merger

Additional lands may also be made subject to this Declaration by merger or consolidation of the Madison Green Homeowners' Association with another non-profit corporation formed for the same or similar purposes. The surviving or consolidated association may administer as one scheme within the Property the covenants and restrictions established by this Declaration together with the covenants and restrictions previously established upon the lands formerly within the jurisdiction of the non-surviving association.

Section 2.05 Effect of Addition of Property

Except by amendment of this Declaration as provided in Section 11.03 of Article XI hereof, no addition of property, whether by annexation, merger or consolidation, shall revoke or modify any provision of this Declaration as to the Property and lands already subject hereto, nor shall any such addition diminish the rights of the Owners of Lots and Units within the Property, except for the dilution of voting strength that occurs as a result of inclusion of additional Members of either owners' association.

Section 2.06 Withdrawal of Property

Declarant reserves the right to amend this Declaration, for so long as Declarant has the right to annex additional property pursuant to this Article II, for the purpose of removing any portion of the Property then owned by Declarant, by the Regent Park Owners' Association, or by the Madison Green Homeowners' Association from the jurisdiction of this Declaration, to the extent that any such portion of the Property was originally included therein or subsequently annexed thereto in error or as the result of any change whatsoever in the plans for the Subdivision, provided that no such withdrawal is unequivocally contrary to the overall, uniform scheme of development of the Subdivision.

ARTICLE III

Membership and Voting Rights

Section 3.01 Membership in the Regent Park Owners' Association

Pursuant to the terms of the Regent Park Restrictive Covenants, every Owner of a Lot within the Subdivision, which Lot is subject to assessment by the Regent Park Community Owners' Association, Inc., shall be a Member of the Regent Park Community Owners' Association, Inc. and shall be subject to the terms for membership therein. Owners within the Madison Green Subdivision, which Owners are also qualifying Members of the Regent Park Community Owners' Association, Inc., shall have voting rights within said Regent Park Owners' Association as provided in the aforesaid Regent Park Restrictive Covenants.

Section 3.02 Membership in the Madison Green Homeowners' Association

Every Owner of a Lot which is subject to assessment by the Madison Green Homeowners' Association, Inc., if and when formed pursuant to the terms hereof, shall be a Member of the said Association, which membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 3.03 Voting Rights

(a) In the Regent Park Owners' Association

Voting rights of the Owners within the Subdivision in the Regent Park Owners' Association shall be as set forth in the Regent Park Restrictive Covenants.

(b) In the Madison Green Homeowners' Association

The voting rights in the Madison Green Homeowners' Association of the Members thereof shall be appurtenant to the ownership of the Lots and may not be separated from ownership of any Lot. There shall be two classes of Lots with respect to voting rights in the Association:

1. Class "A" Lots shall be all Lots except Class "B" Lots as are hereinafter defined. Ownership of a Class "A" Lot shall entitle the Owner thereof to one (1) vote. When more than one person or entity owns an interest (other than a leasehold or security interest) in any Lot, all such persons or entities shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, determine; fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Class "A" Lot.
2. Class "B" Lots shall be all Lots owned by Declarant or a Builder and which have not been converted to Class "A" Lots as set forth below. Declarant and each Builder shall be entitled to nine (9) votes for each Class "B" Lot owned thereby.

The Class "B" Lots shall cease to exist and shall be converted to Class "A" Lots upon the earlier of the following to occur: (i) when Declarant no longer owns any Lots or Units within the Property; (ii) upon written waiver of Class "B" membership by the Declarant; or (iii) December 31, 2015. When the Class "B" Lots cease to exist and are converted to Class "A" Lots, Declarant and each Builder shall have the same voting rights with respect to each Lot owned thereby as any other Owner of a Class "A" Lot or Lots.

3. Until such time as the Class "B" Lots cease to exist as provided in Paragraph 1 above, Declarant shall be vested with the sole voting rights of the Association on all matters (including election and removal of directors and officers of the Association), except such matters as to which this Declaration, the Articles of Incorporation, or the Bylaws of the Association specifically require a vote of the Class "A" Members.

Section 3.04 Leased Units

Notwithstanding any other provision of this Declaration, the provisions of the Regent Park Restrictive Covenants, or the provisions of the Bylaws of any owners' association affected hereby, the cumulative vote as expressed by the Owners, if any, of Lots or Units within the Subdivision which Lots or Units are leased to, rented to, or otherwise occupied by persons other than the Owner shall not be entitled to any weight greater than forty-nine (49) percent on any matter pending before the Madison Green Homeowner's Association, Inc. In no instance shall the lessee, renter or other such non-Owner occupant of any Lot, Dwelling or Unit within the Subdivision have any voting rights within or with regard to any owners' association referenced herein.

ARTICLE IV Property Rights

Section 4.01 Owners' Easements of Enjoyment and Access

Except as limited by the provisions of this Section 4.01 and by the rules and regulations adopted by the Board of Directors of either the Regent Park Owners' Association or the Madison Green Homeowners' Association, every Owner shall have a right and easement of enjoyment in the Common Areas of the Subdivision, together with a right and easement for the use of and

access to, from, and over the same, which rights and easements shall be appurtenant to and shall pass with title to every Lot, subject to the following rights of the Madison Green Homeowners' Association, Inc., in the event that such an organization shall be formed pursuant to the provisions hereof. To that end, the Madison Green Homeowners' Association shall have the right:

(a) To charge reasonable admission and other fees for the use of any recreational facilities situated or constructed on the Common Area, and to limit the use of such facilities to Owners who occupy a residence on the Property and to their families, tenants and guests, all as provided in Section 4.02 of this Article IV;

(b) To suspend the voting rights of any Owner for any period during which any assessment against his Lot remains unpaid, or for a period not to exceed sixty (60) days for any infraction of the published rules and regulations, if any, of the Association;

~~(c) To dedicate, sell or transfer all or any part of the Common Area, including streets and roads, to any public or quasi-public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Members. Pursuant to Article III, Section 3.03 above, after Class "B" Lots cease to exist, no such dedication or transfer shall be effective unless agreed to and acknowledged by a signed document recorded in the office of the Clerk of Court for York County, South Carolina by (i) the Members entitled to at least 80% of the votes of the entire membership of the Association, and (ii) at least three-fourths (¾) of the votes appurtenant to each class of Lots within the Subdivision. Nothing herein shall be deemed to prohibit the Board of Directors of the Association, without consent of the Members, from granting easements over and across the Common Area to any public agency, authority or utility for the installation and maintenance of sewer, utility (including, without limitation, cable television, telephone and natural gas) or drainage facilities when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of Property within the Subdivision. Notwithstanding anything herein to the contrary, the Common Area shall be preserved for the perpetual benefit of the Owners of Lots within the Subdivision and shall not be conveyed except to a governmental entity or another non-profit corporation organized for similar purposes;~~

(d) To borrow money and, after Class "B" Lots cease to exist, with the consent of Members' entitled to at least 80% of the votes of the entire membership of the Association and at least two-thirds (⅔) of the votes appurtenant to each class of Lots, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender or mortgagee shall be subordinate to the property rights of the Members and the Association as set forth herein;

(e) To exchange all or part of the Common Area for other property and consideration of like value and utility, provided, however, after Class "B" Lots cease to exist, any such dedication shall require the assent of the Members as set forth in subparagraph (c) above, and further provided that, if the Board of Directors of the Association determines, in its sole discretion, that such exchange is necessary to cure an encroachment or setback violation on any Lot, the Board may effect such exchange without the consent of or approval by the Members;

(f) To open the Common Area and, in particular, any recreational facilities constructed thereon, for use by non-members of the Association;

(g) To expand or add to the Common Area and to improve, maintain and operate the Common Area, including streets and roads, unless and until dedication of same for public use;

(h) To adopt, promulgate and enforce rules and regulations concerning the use of the Common Area; and

(i) To otherwise deal with the Common Area as provided in the Articles of Incorporation and Bylaws of the Association.

Section 4.02 Delegation of Use

The right and easement of enjoyment and access granted to every Owner by Section 4.01 of this Article IV may be exercised by members of the Owner's family, which family members occupy, as his, her or their principal residence in York County, South Carolina, the Dwelling or Unit of the Owner within the Subdivision.

The right and easement of enjoyment and access granted to every Owner by Section 4.01 of this Article IV may be delegated by such Owner to his tenants or contract purchasers who occupy, as his, her or their principal residence in York County, South Carolina, the Dwelling or Unit of the Owner within the Subdivision.

The right and easement of enjoyment and access granted to every Owner by Section 4.01 of this Article IV may be delegated to the guests of each such Owner, tenant or contract purchaser of any Dwelling or Unit within the Subdivision, subject to such rules and regulations as may be established by the Board of Directors.

The rights of any delegate of an Owner shall be suspended by, upon and during suspension of the Owner's rights as provided in Section 11.07 of Article XI of this Declaration.

Section 4.03 Conveyance of Common Area to the Regent Park Owners' Association

In the event that no organization of the Owners within the Subdivision, separate from the Regent Park Owners' Association, has been formed or otherwise exists at such time as Declarant would no longer exercise voting control over such an association, as provided in Section 3.03 of Article III hereof, Declarant shall convey fee simple title to all Common Area (except Common Area easements) within the Property to the Regent Park Community Owners' Association, Inc., and Declarant shall reserve for or grant to the Regent Park Owners' Association all Common Area easements, all subject to such easements, reservations, conditions and restrictions as then may be of record, provided, however, so long as Declarant owns any Lot or Lots within the Property, Declarant reserves an easement over and across any Common Area for the purpose of constructing and maintaining any improvements on the Common Area as Declarant deems necessary or advisable, provided that any such improvements must comply with the requirements of any appropriate governmental authority. Any improvements placed on the Common Area by Declarant following the conveyance of same to the Regent Park Owners' Association shall become the property of the Regent Park Owners' Association upon completion of such improvements.

Section 4.04 Conveyance of Common Area to the Madison Green Homeowners' Association

In the event of the formation of the Madison Green Homeowners' Association, Inc. at or prior to the time that Declarant no longer exercises voting control over the Association as provided in Section 3.03 of Article III hereof, Declarant shall convey, and the Association shall accept, fee simple title to all Common Area (except Common Area easements) within the Property, and Declarant shall reserve for or grant to the Association all Common Area easements, all subject to such easements, reservations, conditions and restrictions as then may be of record, and the Association shall accept all such conveyances, grants and reservations, provided, however, so long as Declarant owns any Lot or Lots within the Property, Declarant reserves an easement over and across any Common Area deeded to the Association for the purpose of constructing and maintaining any improvements on the Common Area as Declarant deems necessary or advisable, provided that any such improvements must comply with the requirements of any appropriate governmental authority. Any improvements placed on the Common Area by Declarant following the conveyance of same to the Association shall become the property of the Association upon completion of such improvements.

Section 4.05 Regulation and Maintenance of Common Area and Common Area Easements

It is the intent of the Declarant that the Common Area be preserved for the perpetual benefit of the Owners. If the Common Areas are conveyed to the Regent Park Owners' Association, as set forth in Section 4.03 above, then the provisions of the Regent Park Restrictive Covenants shall govern the regulation and maintenance of same. In the event that the Common Areas are conveyed to the Madison Green Homeowners' Association, as provided in Section 4.04 above, then the following provisions shall apply:

(a) Regulation of Common Area

The Association may adopt and promulgate rules and regulations governing the use of the Common Area by Owners and their families, guests and invitees. No Owner or other permitted user shall use the Common Area or any portion thereof in violation of the rules and regulations contained in this Declaration or subsequently adopted by the Association.

Without limiting the generality of the foregoing, no Owner, tenant, guest or invitee of an Owner shall, without the specific prior written consent of the Association, (i) damage or waste the Common Area or improvements thereon or remove any trees or vegetation therefrom; (ii) erect any gate, fence, structure or other improvement or thing on the Common Area; (iii) place any garbage receptacle, trash or debris on Common Area; (iv) fill or excavate any part of the Common Area; (v) landscape or plant vegetation on or about the Common Area; or (vi) use the Common Area or any part thereof in a manner inconsistent with or in any way interfering with the rights of other Owners.

(b) Rights and Responsibilities of the Lot Owners as to Common Area Easements

Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other assessments levied against his Lot, including that portion of such tax or assessment as is attributable to such Common Area easement.

(c) Responsibilities of Lot Owners as to Common Area Maintenance

Property owners are jointly and severally liable for compliance with York County standards and regulations regarding common area/open space maintenance including, but not limited to, detention ponds, trees and landscaping.

(d) Rights and Responsibilities of the Regent Park Owners' Association as to the Common Area

With regard to the Common Area within the Subdivision, including streets and roads, and following conveyance of same pursuant to Section 4.03 above, the Regent Park Community Owners' Association shall have and enjoy all rights, and shall likewise incur all obligations, as are set forth with regard to such "common areas" and the like by the Restated and Amended Declaration of Covenants, Restrictions and Limitations and Provisions for Membership in [the] Regent Park Community Owners' Association, Inc. To that end, and where not inconsistent with the terms of the aforesaid Regent Park Restrictive Covenants, the Regent Park Owners' Association shall (i) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its use by the Owners, subject to the provisions of this Declaration; (ii) maintain all roads and streets within the Subdivision, unless and until dedication of same for public use to a governmental or quasi-governmental agency or authority; (iii) procure and maintain adequate liability insurance covering the Regent Park Owners' Association and its Members, Directors and officers, against any loss or damage suffered by any person, including the Owner of the Lot upon which Common Area lies, resulting from use of the Common Area, together with adequate hazard insurance covering the real and personal property owned in fee by the Regent Park Owners' Association; and (iv) pay all property taxes and other assessments levied against all Common Area owned in fee by the Regent Park Owners' Association.

(e) Rights and Responsibilities of the Association as to Common Area

With regard to the Common Area within the Subdivision, including streets and roads, and following conveyance of same pursuant to Section 4.04 above, the Madison Green Homeowners' Association shall have the right and obligation to ensure that the Common Area is preserved for the perpetual benefit of the Owners, and, to that end, shall (i) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its use by the Owners, subject to the provisions of this Declaration; (ii) maintain all roads and streets within the Subdivision, unless and until dedication of same for public use to a governmental or quasi-governmental agency or authority; (iii) procure and maintain adequate liability insurance covering the Association and its Members, Directors and officers, against any loss or damage suffered by any person, including the Owner of the Lot upon which Common Area lies, resulting from use of the Common Area, together with adequate hazard insurance covering the real and personal property owned in fee by the Association; and (iv) pay all property taxes and other assessments levied against all Common Area owned in fee by the Association.

(f) Declarant's and Owners' Association's Right of Entry

The Declarant and the Madison Green Homeowners' Association, or the Regent Park Owners' Association, as the case may be, together with the employees, agents,

contractors and subcontractors of each, shall have a non-exclusive right and easement at reasonable times to enter upon any portion of a Lot reserved or designated as a Common Area easement for the purposes of: (i) installing and maintaining subdivision entrance signs, features, fencing and landscaping; (ii) making such improvements to the Common Area; and (iii) maintaining the Common Area easement in its natural or improved state.

ARTICLE V

Covenant for Maintenance Assessments

Section 5.01 Creation of the Lien and Personal Obligation of Assessments

Each Owner of a Lot, by acceptance of a deed for same, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Regent Park Owners' Association such annual and special assessments as are set forth and provided in the aforementioned Regent Park Restrictive Covenants. Further, in the event of the formation of the ~~Madison Green Homeowners' Association, each Owner of a Lot within the Subdivision,~~ by acceptance of a deed for same, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments and special assessments, such assessments to be established and collected as hereinafter provided. All assessments which are unpaid when due, together with interest and late charges set forth in Section 5.09 of this Article V and all costs of collection, including reasonable attorney's fees, shall be a charge against and a continuing lien upon the Lot against which such assessment is made. Each such assessment or charge, together with interest and costs of collection, including reasonable attorneys' fees, shall also be the personal or corporate obligation of the person(s), firm(s) or corporation(s) owning such Lot at the time when the assessment fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by them. Although unpaid assessments and charges are not the personal obligation of such successors in title unless expressly assumed by them, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

It is the intent of the Declarant that any monetary fines imposed against an Owner pursuant to the Bylaws of the Association or Section 11.07 of Article XI of this Declaration shall constitute a lien against the Lot of such Owner to the same extent as if such fine were an assessment against such Lot.

Section 5.02 Purposes of Assessments

The assessments levied by the Madison Green Homeowners' Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Subdivision and, in particular, for: (i) acquisition, improvement and maintenance of Property, services and facilities related to the use and enjoyment of the Common Area; (ii) repair and reconstruction of improvements on the Common Area including, without limitation, streets, roads and the like, and also including the cost of repair, replacement and additions thereto together with the cost of labor, equipment, materials, management and supervision thereof; (iii) payment of taxes and public assessments levied against the Common Area owned by the Association in fee; (iv) procurement and maintenance of insurance in accordance with Section 4.05(e) of Article IV of this Declaration; (v) employment of attorneys, accountants and other persons or firms to represent the Association when necessary; (vi) payment of principal and interest on funds borrowed for Association purposes; and (viii) such other needs as may arise.

Section 5.03 Annual Assessments of the Madison Green Homeowners' Association

In the event of the formation of the Madison Green Homeowners' Association, Inc. and the subsequent assessment by the Association of the Members thereof, the following provisions shall apply:

(a) Maximum Annual Assessment

As provided in Section 3.03(b) of Article III hereof, Declarant shall establish the Maximum Annual Assessment and initial annual assessment for Class "A" Lots; thereafter, the terms "Maximum Annual Assessment," "annual assessment," and "special assessment" shall mean the Maximum Annual and special assessments applicable to Class "A" Lots. The initial assessment for every homeowner (new purchase or resale) shall be \$150.00 and the Maximum Annual Assessment shall be \$200.00 for each Class "A" Lot.

~~From and after January 1, 2005, the Maximum Annual Assessment may be increased by the Board of Directors effective January 1 of each year without a vote of the Members, but subject to the limitation that the percentage of any such increase shall not exceed 10% of the Maximum Annual Assessment for the previous year unless such increase is approved as set forth in Section 5.03(b) below.~~

From and after January 1, 2009, the Maximum Annual Assessment for Class "A" Lots may be increased without limitation if such increase is approved by a majority of the votes cast, in person or by proxy, at a meeting duly called for that purpose.

(b) Annual Assessments; Ratification of Budgets

Notwithstanding the 10% increase restriction contained in Section 5.03(a) above, for so long as a Class "B" Lot exists, the Board of Directors, in its sole discretion, shall have the authority to adopt an annual budget. After Class "B" Lots cease to exist, the Board of Directors shall adopt a proposed budget (including the proposed annual assessment for each Class of Lots) at least annually. Within 30 days after adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than 10 days nor more than 60 days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. Except as set forth in Section 5.07 below, there shall be no requirement that a quorum be present in order to ratify the budget. The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget. Notwithstanding the foregoing, if the budget provides for annual assessments not greater than 10% larger than the assessment in effect for the immediately preceding year, such budget shall be deemed ratified unless Members having at least 80% of the votes of the entire membership vote to reject the budget. If the proposed budget is rejected, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

Any annual assessment ratified by the Members shall continue thereafter from year to year as the annual assessment until changed by the Board and ratified by the Members as set forth herein.

Section 5.04 Special Assessments

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of a capital improvement on the Common Area, including without limitation the roads and streets within the Subdivision, and also including fixtures and personal property related to any such capital improvement, for repayment of indebtedness and interest thereon, or for any other purpose, provided that any such assessment shall have the same assent of the Members as provided in Section 5.03(b) of this Article V.

Section 5.05 Assessment Rate; Collection Period

Except as provided in Section 5.06 of this Article V, the annual and special assessments shall be fixed at a uniform rate for all Lots within each subclass of Lots and may be collected on a yearly, semi-annually, quarterly or monthly basis, as determined by the Board of Directors.

Section 5.06 Declarant's Assessments

Notwithstanding any other provision of this Declaration, the Articles of Incorporation or the Bylaws of the Association, the Declarant shall not be obligated for, nor subject to, any annual or special assessment for any Lot or other property that it owns within the Property, provided, however, that the Declarant shall be responsible for paying for each Lot owned by the Declarant which contains a Dwelling for which a certificate of occupancy has been issued, an assessment equal to five percent (5%) of the annual assessment in effect for Class A Lots, as the same may change from time to time, computed on a 365 day year and prorated for the number of days from the date of the issuance of the certificate of occupancy until the sale of such Lot. Upon sale of such Lot by Declarant to any other person or entity, such Lot shall be assessed at Class A rate, commencing on the first day of the month after title to such Lot is transferred to such third party. Notwithstanding any other provision of this Declaration, a Lot owned by the Declarant which contains a Dwelling occupied as a residence (but not as a model or sales center) shall be assessed at the rate applicable to Class A Lots.

Section 5.07 Notice and Quorum for any Action Authorized Under Section 5.03(a) and/or Section 5.04

After Class "B" lots cease to exist, written notice of any meeting called for the purpose of taking any action authorized under Section 5.03(a) and/or Section 5.04 shall be sent to all Members not less than fifteen (15) days nor more than thirty (30) days prior to the meeting. At such meeting, the presence of Members, in person or by proxy, entitled to cast sixty (60%) percent of the votes of the entire membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and if called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting.

Section 5.08 Date of Commencement of Annual Assessments: Amount of Initial and Subsequent Annual Assessments; Certificate of Payment

Unless a different commencement date is set by the Board of Directors, the annual assessments provided for herein shall commence as to all Lots in any phase on the first day of the month following the conveyance of a Lot or Unit within that phase to an Owner other than the Declarant. Unless a lower amount is set by the Board of Directors and ratified by the Members, the first annual assessment shall be the "Maximum Annual Assessment" set forth in Section 5.03

of this Article V and shall be prorated according to the number of months remaining in the calendar year.

At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessment against each Lot. At least thirty (30) days before January 1 of each year, the Board of Directors shall send written notice of such assessment to every Owner subject thereto. The due dates for the payment of annual and special assessments shall be established by the Board of Directors.

The Association shall, upon demand, and for such reasonable charge as the Board of Directors may determine, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment.

Section 5.09 Effect of Nonpayment of Assessments: Remedies

~~An assessment not paid within ten (10) days after the due date shall incur such late charge as the Board of Directors may from time to time establish, and, if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the rate of eighteen percent (18%) per annum or the highest rate allowed by law, whichever is less. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot for which such assessment is due. Interest, late payment charges, reasonable attorneys' fees, and the costs of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or by abandonment of his Lot.~~

Section 5.10 Subordination of the Lien to Mortgages

The liens provided for herein shall be subordinate to the lien of any first mortgage or first mortgage on a Lot. Sale or transfer of a Lot shall not affect any assessment lien; however, the sale or transfer of a Lot pursuant to foreclosure of a first mortgage, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of any assessment which became due prior to the date of such conveyance. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof; but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage.

Section 5.11 Exempt Property

All property dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of South Carolina shall be exempt from the assessments created herein. Notwithstanding the foregoing, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI Rights of Lenders

Section 6.01 Books and Records

Any owner or holder of a first mortgage on any Lot, or its agent, shall have the right, during normal business hours, to examine copies of this Declaration, the Articles of Incorporation, Bylaws, and the books and records of the Madison Green Homeowners'

Association and, upon written request to the Association, to receive a copy of the financial statement for the immediately preceding fiscal year.

Section 6.02 Notice to Lenders

After Class "B" Lots cease to exist and upon written request to the Association, the owner or holder of a first mortgage on any Lot shall be entitled to timely written notice of:

- (a) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of the Lot securing its loan;
- (b) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or
- (c) any proposed action that requires the consent of a specified percentage of owners or holders of first mortgages on the Lots.

Section 6.03 Approval of Owners and Holders of First Mortgages

After Class "B" Lots cease to exist, unless at least seventy-five percent (75%) of the Owners and holders of the first mortgages on Lots located within the Property have given their prior written approval, the Association shall not:

- (a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association. The granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this subsection. Nothing herein shall be deemed to prohibit the Association from exchanging Common Area for other real property of like utility and value as provided in Section 4.01(c) of Article IV of this Declaration, or to require the approval of such exchange by the holders of first mortgages on the Lots;
- (b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot;
- (c) Fail to maintain hazard insurance on insurable improvements on the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value; or
- (d) Use the proceeds of any hazard insurance policy covering losses to any part of the Common Area for other than the repair, replacement or reconstruction of the damaged improvements.

Section 6.04 Payment of Taxes and Insurance Premiums

The Owners or holders of first mortgages on Lots, jointly or singly, may pay taxes or other charges which are in default and which have or may become a charge or lien against any of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy covering property owned by the Association. The persons, firms or corporations making such payments shall be owed immediate reimbursement therefore by the Association.

ARTICLE VII

Easements

Section 7.01 Access and Utility Easements

Easements for the installation and maintenance and for other public utility installations are reserved as shown on the recorded plats of the Property. The Regent Park Owners' Association or the Madison Green Homeowners' Association may, as provided in Section 4.01(c) of Article IV of this Declaration, reserve or grant easements over the Common Area. Within any such easement herein provided, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of the utilities installed thereon, or which may change the direction of flow or drainage of water through drainage pipes or channels constructed in such easements.

For a period of thirty (30) years from the date hereof, Declarant reserves, for itself and its employees, agents, successors and assigns, an easement upon and a right of ingress, egress and regress on, over and under the Property for the purposes of constructing and maintaining water, sewer, gas, storm water drainage and retention, telephone, cable television, electric, and other utility facilities to the extent required by any applicable governmental entity or deemed by the Declarant to be necessary or convenient for the development, use and enjoyment of the Property and the Common Area and for the conduct of construction, sales and marketing activities. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil or take any other similar action that it deems reasonably necessary or appropriate. After such action has been completed, Declarant shall grade and seed the affected property and otherwise restore the affected property to its original condition to the extent practicable, but shall not be required to replace any trees, bushes or shrubbery necessarily removed. Declarant shall give reasonable notice of its intent to take such action to each Owner whose Lot is affected.

Section 7.02 Easements for Governmental Access

An easement is hereby established over the Common Area and every Lot within the Property for the benefit of applicable governmental agencies for installing, removing, and reading water meters, maintaining and replacing water and sewer facilities, and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

Section 7.03 Owner's Easement and Right of Entry for Repair, Maintenance and Reconstruction

If any Dwelling is located closer than five (5) feet from its Lot line, the Owner thereof shall have a perpetual access easement over the adjoining Lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of such Dwelling. Such work shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Lot to as nearly the same condition as that which existed prior to the commencement of the work as is reasonably practicable. No fence shall be erected within such area adjoining a Dwelling.

Section 7.04 Owners' Associations' Easement and Right of Entry

The Regent Park Owners' Association, for itself and its employees, agents, contractors, subcontractors and invitees, shall have a perpetual access easement over the each Lot to the extent reasonably necessary to perform the maintenance to be performed by the said Association. In the event of the formation of the Madison Green Homeowners' Association, then all such

easements for maintenance and the like shall belong exclusively to the said Madison Green Homeowners' Association, except and unless the said Association shall assign or delegate same.

Section 7.05 Easement Over Common Area

A perpetual, non-exclusive easement over the Common Area is hereby granted to each Lot and its Owners, family members and tenants of such Owners, the occupants of such Lot, and guests and invitees of such Owners, tenants or occupants, for the purpose of providing access, ingress to and egress to from the streets, parking areas and walkways serving the Property.

ARTICLE VIII Architectural Control

Section 8.01 By Declarant

Declarant shall have the sole and absolute right to determine the style and appearance of ~~the dwellings, fences, walls, buildings, outbuildings, garages, storage sheds, mailboxes, lawn decorations, structures of any type, grading, landscaping and any other improvements to be built or constructed on any Lot (hereinafter individually and collectively referred to as the "Improvements")~~.

Section 8.02 Architectural Review Committee

After occupancy of a Dwelling as a single-family residence pursuant to a certificate of occupancy or other similar certificate issued by the appropriate governmental authority, no Improvements (including, without limitation, replacement of any previously existing Improvements) shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration thereof be made (including, without limitation, changing materials or color of any exterior portion of any such Improvements), nor shall a building permit for such Improvements or change be applied for or obtained, until plans and specifications showing the nature, kind, shape, heights, materials, color and location of same shall have been submitted to and approved in writing by an Architectural Review Committee ("ARC") composed of three or more persons as hereinafter set forth.

(a) Of the Regent Park Owners' Association

Until formation of the Madison Green Homeowners' Association, Inc., and in the event that no such organization is formed pursuant to the terms and provisions hereof, architectural control of occupied dwellings shall be administered by the Architectural Review Board (ARB) of the Regent Park Owners' Association, as set forth in Section 3.2 of Article III of the Regent Park Restrictive Covenants. The Regent Park Owners' Association may, pursuant to the said Section 3.2 of Article III, delegate to the Owners within the Madison Green Subdivision the authority to administer the architectural controls set forth herein.

(b) Of the Madison Green Homeowners' Association

Upon the formation and organization of the Madison Green Homeowners' Association, Inc., the Board or Directors shall appoint an Architectural Review Committee in the manner prescribed herein above. If the Association or its designee fails to approve or disapprove any such proposed Improvements within thirty (30) days after complete plans and specifications have been received by it, approval will not be required,

and this Article shall be deemed to have been complied with. The Association shall have the right to charge a reasonable fee, not to exceed \$25.00, for receiving and processing each application.

(c) Amendment of Architectural Standards

The Declarant and, after the Declarant no longer owns any Lot or Unit within the Property, the Madison Green Homeowners' Association or the Regent Park Owners' Association, as the case may be, shall have the right to promulgate and from time to time amend written architectural standards and construction specifications (hereinafter the "Architectural Standards") which may establish, define and expressly limit the standards and specifications which will be approved, including, without limitation, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design and construction technique. Neither the Association nor the ARC shall approve any Improvements which it determines, in its sole discretion, not to be in harmony of external design, construction and/or location in relation to the surrounding structures, topography or the general plan of development of the Subdivision.

(d) No Liability of Declarant

Neither the Declarant nor any employee of Declarant shall have any liability to any person or entity by reason of any acts taken or omitted by them, or any of them, in good faith pursuant to this Article.

ARTICLE IX
Rights and Responsibilities of the Madison
Green Homeowners' Association

Section 9.01 Responsibilities

If and when formed pursuant to this Declaration, and subject to the rights of the Owners set forth herein, the Madison Green Homeowners' Association shall be responsible for the exclusive management and control of the Common Area, including roads and streets unless and until dedication of same for public use. The Association shall keep the Common Area in good, clean and proper condition, order and repair, and shall be responsible for the payment of all costs, charges and expenses incurred in connection with the operation, administration and management of the Common Area and the performance of its other obligations hereunder. The Association shall operate and maintain areas designated by the Declarant as Common Areas, whether or not title to such areas has been formally conveyed to the Association. The Association shall also be responsible for enforcement of the covenants and restrictions contained in this Declaration.

Section 9.02 Manager

The Association may employ and pay for the services of a person or entity, including the Declarant (the "Manager"), to assist the Association in managing its affairs and carrying out its responsibilities hereunder and such other persons or entities, including attorneys and accountants, as the Association deems necessary or advisable, whether such persons or entities are engaged, furnished or employed by the Manager or directly by the Association. The Association may enter into a Management Agreement for such management services upon such terms as the Board of Directors may deem appropriate. The payment of management fees due to

the Declarant may, at Declarant's option, be deferred until such later date as Declarant, in its sole discretion, deem appropriate. Furthermore, any management fees due to Declarant may, at Declarant's option, be credited against any assessments due or to be coming due from the Declarant.

Section 9.03 Personal Property for Common Use

The Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise, subject to such restrictions, if any, as may from time to time be provided in the Articles of Incorporation or Bylaws of the Association.

Section 9.04 Insurance: Bonds

The Association shall procure and maintain adequate liability insurance covering the Association. The Association shall also procure and maintain full replacement value hazard insurance on real and personal property owned by the Association, and shall procure and ~~maintain officers', directors' and employees' liability insurance, and such other insurance as it~~ deems necessary or advisable. The premiums for such insurance shall be a common expense paid from the annual assessments provided in Article V of this Declaration. The Association may cause any or all persons responsible for collecting and disbursing monies of the Association to be bonded.

Section 9.05 Implied Rights

The Association may exercise any other right or privilege and take any action authorized by this Declaration, the Association's Articles or Bylaws, or the South Carolina Nonprofit Corporation Act, as from time to time amended, and every other right or privilege reasonably necessary to effectuate the exercise of any right or privilege or the taking of any action authorized herein or therein.

Section 9.06 Declarant's Reserved Rights; Association's Obligation of Cooperation

The Association shall accept conveyance of any Common Area conveyed to it, in fee or by easement, by Declarant or, at the request of Declarant, by an owner of any property within or to be annexed into the Property and, upon request of Declarant and without further consideration, shall execute any document necessary to evidence such acceptance. Until such time as Declarant and Builders have completed all of the contemplated improvements and have sold all of the Lots within the Subdivision:

(a) Declarant shall have the right to alter the boundaries of the Common Area, whether or not it has been previously deeded to the Association, provided that such alteration does not substantially, materially and adversely affect the function and use of the Common Area. The Association and each Owner hereby irrevocably appoints the Declarant as his attorney-in-fact to execute and/or deliver any documents, plats, deeds, or other written matters necessary or convenient to accomplish the addition of Common Area or Property, or both, to create easements as deemed necessary by Declarant, and to adjure the boundary or boundaries of the Common Area.

(b) Neither the Association nor its Members, nor the use of the Common Area by the Association and its Members, shall interfere with or impede the completion of the improvements or the marketing and sale by the Declarant and the Builder of Lots and homes.

(c) Declarant and each Builder shall have the right to make such use of Lots and the Common Area as may facilitate completion of development and sale of Lots and Units by the Declarant and the Builder. Without limiting the foregoing, Declarant shall have the right to maintain or permit the Builder or others to maintain sales offices, model Dwellings and Units, administrative offices, and construction offices (which may be trailers or temporary or permanent buildings), or any or all of same, on Lots or the Common Area. Declarant and the Builder shall also have the right to erect and maintain signs on Lots and/or the Common Area, to bring prospective purchasers upon the Common Area, to use the Common Area for sales and marketing activities for the Subdivision, to grant the right to use the Common Area to prospective purchasers or any other individual or group, in Declarant's sole discretion, and to conduct any and all other marketing activities deemed appropriate by the Declarant, and to permit the Builder and others to exercise such rights in conjunction with or separate from the Declarant.

~~(d) Subject to the provisions of Section 4.01(d) of Article IV of this Declaration,~~ Declarant shall have the right, but not the obligation, to loan money to the Association in such amounts and upon such terms and conditions as to which the Declarant may agree. Payments due to the Declarant under any such loans may, at Declarant's option, be credited against any assessments coming due at any time from the Declarant.

(e) In addition to all other rights of the Declarant, no amendment shall be made to this Declaration, and no rule or regulation shall be adopted, interpreted or enforced by the Association, so as to modify the assessments or other charges applicable to the Declarant or assessed against the Lots owned by either, or which shall restrict, impair, or, in Declarant's sole judgment, materially adversely affect the activities of the Declarant or the Builder with regard to construction, use of Common Area and delegation of the right to use the Common Area, or the marketing and sale of Lots by the Declarant and Builder, whether or not such activities are enumerated in the preceding paragraphs, without the express prior written consent of Declarant.

In exercising any of the rights provided or granted under this Article IX, neither Declarant, nor the Association shall revoke, modify or amend this Declaration in a manner that reduces the size of the Common Area to less than the area required by the appropriate governmental authority as of the date of this Declaration.

ARTICLE X Use Restrictions

Section 10.01 Business Use Prohibited

No trade, business, profession or other type of commercial activity shall be carried on upon any Lot, except that the Declarant, the Builder, real estate brokers, Owners and their agents may show Lots for sale or lease. Notwithstanding the foregoing, the Declarant and each Builder and the agents and employees of each, shall have the right to: (i) use Lots and improvements erected thereon for sales offices, field construction offices, storage facilities, and its own general business offices; (ii) maintain fluorescent-lighted or spot-lighted model homes which may be open to the public for inspection 7 days per week for such hours as the Declarant or Builder deems appropriate or necessary; (iii) conduct any other activities on Lots to benefit sales efforts;

and (iv) use the parking facilities on the Common Area for parking for its employees and invitees.

Section 10.02 Use of Accessory Structures

No tent, shack, barn, car port, metal awnings, metal utility sheds or other building, other than a Dwelling and its garage, shall be erected on a Lot, and used temporarily or permanently as a residence, nor shall any such structure be used for any other purpose. Notwithstanding the foregoing, the Declarant and, with the approval of the Declarant, a Builder may use temporary buildings, offices or facilities in connection with the marketing, sale and construction of Units.

Section 10.03 Maintenance of Improvements

Each Owner shall maintain in good condition and repair all improvements constructed upon such Owner's Lot, including, without limitation, the Dwelling. No Owner shall change the exterior design or color of the Dwelling on such Owner's Lot, including the roof thereof, except in compliance with Article VIII hereof.

Section 10.04 Storage: Clothes Hanging

No Lot or Common Area shall be used for the storage of rubbish. Outside clothes hanging devices shall not be permitted.

Section 10.05 Nuisances

No noxious or offensive trade or activity shall be carried on upon any Lot or the Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No automobile or other vehicle mechanical repairs or like activity shall be conducted within the Property other than in a garage and concealed from public view.

Section 10.06 Lawns

Each Lot on which there is a completed Dwelling shall be maintained in a neat condition by the Owner thereof or, as appropriate, the Association or a Sub-Association. In this context, the word "Lot" shall include that portion of the property from the outside of the structure on the applicable Lot to the adjacent paved road surface. "Neat" shall require, at a minimum, that the lawn be regularly cut and fertilized and that mulched areas be regularly re-mulched and kept weeded so that the appearance of same is in harmony with the neighborhood. All improved Lots must have grass lawns; no gravel or similar type lawns are permitted.

Section 10.07 Failure to Maintain

If an Owner fails to maintain the Lot or the improvements thereon, the Madison Green Homeowners' Association or the Regent Park Owners' Association, as the case may be, after giving such Owner at least ten (10) days' written notice, shall be authorized to undertake such maintenance at the Owner's expense. By accepting title to his Lot, each Owner shall be deemed to grant access upon the Owner's Lot and Dwelling for such purpose, and such entry shall not constitute a trespass. If maintenance is undertaken by the Association or by the Declarant, the charges for same and all costs of enforcement and collection shall be secured by a lien against the Lot as provided in Article V hereof.

Section 10.08 Animals

No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that a reasonable number of cats, dogs, and other household pets may be kept provided they are kept within the residence and are not kept, bred, or maintained for any commercial purposes or become a nuisance to the neighborhood. No person owning or having custody of an animal shall allow the animal to stray or go upon another Owner's Lot without the consent of such other Owner. No animals shall be permitted on or in the Common Area at any time except as permitted by the rules and regulations of the Association or by applicable law. All animals shall be on a leash when outside the Owner's Dwelling.

Section 10.09 Signs

No signs shall be displayed on any Lot with the exception of one "For Sale" or "For Rent" sign not exceeding 36" x 24" in size and signs of not more than ten (10) square feet ~~expressing support of or opposition to political candidates or other issues which will appear on~~ the ballot of a primary, general or special election, provided that such political signs shall not be placed on a Lot earlier than sixty (60) days before such election and shall be removed within two (2) days after such election. Owners of Lots shall be subject to such uniform standards and specifications regarding signs as may be promulgated by either the Madison Green Homeowners' Association or the Regent Park Owners' Association. No sign of any kind shall be displayed in or on the Common Area without the prior written consent of the applicable Association. Notwithstanding the foregoing, Declarant and, with the consent of and upon such conditions as Declarant, in its sole discretion, might impose, a Builder shall have the right to erect and maintain signs of any type and size on any Lot which it owns and on the Common Area, in connection with the development and sale of the Property.

Section 10.10 Water Retention Areas

Except and unless permitted by the Madison Green Homeowners' Association or the Regent Park Owners' Association, as the case may be, and in which case the Association shall promulgate rule and regulations applicable thereto, no person may use any area of water retention for any recreational purposes including, without limitation, fishing, boating, swimming or wading.

Section 10.11 Vehicles, Boats and Trailers

No vehicle of any kind shall be parked on any Lot except on a paved parking surface or driveway or within a garage. No truck or vehicle used primarily for commercial purposes (other than those temporarily present on business) and no trailer (except boat trailers and camper trailers) may be parked within the Property. Vehicles not in operable condition and/or validly licensed, may be kept on a Lot if kept inside a garage and concealed from public view. For the purpose of the preceding sentence, the term "kept" shall mean present for either a period of more than ten (10) hours or overnight, whichever is less.

Section 10.12 Antennae and Roof Structures

No radio or other electrical towers, aerials, antennae, or other devices of any type for the reception or transmission of radio broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by 37 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunica-

tions Act of 1996, as amended from time to time. The Association shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

An antenna permissible pursuant to rules adopted by the Association may be installed only if it is approved by the Association pursuant to Article VIII hereof.

Section 10.13 Leased Units

An Owner may lease or sublet his Unit; provided, however, that any lease or sublease must be for at least six (6) months, must be in writing and must contain the following provision:

"Tenant shall obey, adhere to and be bound by all provisions of the Declaration Of Covenants, Conditions And Restrictions For Madison Green Subdivision, as recorded in the Office of the Clerk of Court for York County, South Carolina. Tenant acknowledges that he has received of a copy of such Declaration together with the rules and regulations of the Association and that he is familiar with the provisions of same."

If an Owner fails to include said provision in any lease or sublease, it shall be conclusively deemed to be included and made a part of said lease or sublease. Owner shall furnish the Association a copy of any leases or subleases of his Unit.

Section 10.14 Minimum Size of Units

All Units constructed within the Property shall consist of not less than one thousand, six hundred square feet (1,600 ft²) of heated living space, excluding porches, balconies, driveways, garages, carports, decks, attics, and the like.

ARTICLE XI General Provisions

Section 11.01 Enforcement

The Regent Park Owners' Association, the Madison Green Homeowners' Association, or any Owner within the Subdivision shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Further, the Board of Directors shall have the right to record in the appropriate land records a notice of violation of this Declaration or of the Bylaws of the Association, or any rules, regulations, use restrictions, or design guidelines promulgated by the Association, and to assess the cost of recording and removing such notice against the Owner deemed to be violation.

Section 11.02 Severability

Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

Section 11.03 Amendment

For so long as Declarant owns any Lot or Unit within the Property, this Declaration may be amended by the Declarant, without the consent or joinder of any other Owner or the Madison Green Homeowners' Association. Any such amendment shall be effective upon recording of

same in the office of the Clerk of Court for York County, South Carolina. No amendment shall be binding upon any Lot or Owner until fifteen (15) days after a copy of such amendment has provided to such Owner.

The covenants and restrictions of this Declaration, and any amendments thereto, are appurtenant to and shall run with and be binding upon the Property and the Owners thereof for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or amended by a vote of the Owners as set forth below.

Subject to the provisions of Section 11.08(e) below, and after Class "B" Lots cease to exist, this Declaration may be terminated or amended during the first twenty-five year period by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots, and thereafter by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots, provided; however, that so long as there is Class B membership, no amendment adopted by the Owners shall be effective unless and until such amendment is approved in writing by the Declarant. Amendment or termination shall be by written instrument signed by the appropriate persons or entities and recorded in the office of the Clerk of Court for York County, South Carolina, and upon such recording shall be binding on all Lots and Units within the Property and the Owners thereof, without regard to whether the Owner of such Lot voted for or against or signed or did not sign the amendment.

Section 11.04 Interpretation

Headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing any provision hereof. Unless the context otherwise requires, the use herein of the singular shall include the plural and vice versa: the use of one gender shall include all genders; and the use of the word "including" shall mean "including, without limitation." This Declaration and the provisions thereof shall be construed and enforced in accordance with the laws of the State of South Carolina.

Section 11.05 Subdivision of Lots

No Lot within the Subdivision may be subdivided by sale or otherwise so as to reduce the total Lot area shown on the recorded plat, except by or with the consent of the Declarant and, if required, by the appropriate governmental authority.

Section 11.06 Declarant's Right To Change Development

With the approval of the appropriate governmental authority, and subject only to such terms and conditions as said authority may impose, Declarant shall have the right, without consent or approval of the Owners, to create Lots and Units, add Common Area, and reallocate Lots or Units within the Property.

Section 11.07 Rules and Regulations: Enforcement

The Board of Directors shall have the authority to adopt additional rules and regulations governing the use of the Common Area and the Lots within the Subdivision and shall furnish a written copy of said rules and regulations to the Owners of each Lot at least fifteen (15) days before such rules and regulations become effective.

In addition to any other rights and remedies that the Madison Green Homeowners' Association may have under the Bylaws and this Declaration, the Association may impose

sanctions for a violation of this Declaration, the Bylaws of the Association, the rules and regulations adopted Association, and any restrictive covenants applicable to the Property, in accordance with procedures set forth in the Bylaws, which sanctions may include, without limitation, reasonable monetary fines, which shall constitute a lien upon the Lot of the violator, and suspension of the right to vote and the right to use the Common Area any facilities thereon.

In addition, as provided in the Bylaws, the Association may exercise self-help to cure violations (specifically including, but not limited to, the towing of Owner and tenant vehicles that are in violation of parking rules) and may suspend the right of an Owner to use any Common Area and recreational facility within the Property if the Owner is more than 30 days delinquent in paying any assessment or other charge due to the Association.

The Association shall at all times have the right and easement to go upon any Lot for the purposes of exercising its rights hereunder, including, but not limited to, enforcement of the architectural guidelines applicable to the Property. Any entry onto any Lot for purposes of exercising this power of self-help shall not be deemed as trespass. All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In any action to enforce its rights and remedies, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement actions. Any such determination shall not be construed as a waiver of the right to enforce such provisions under other circumstances or to estop the Association from enforcing any other covenant, restriction or rule.

Section 11.08 Dispute Resolution

(a) Consensus for Madison Green Homeowners' Association Action

Except as provided in this Section, the Madison Green Homeowners' Association may not commence a legal proceeding or an action under this Article without the approval of at least two-thirds of the Members. The foregoing shall not apply to: (i) actions brought by the Association to enforce the provisions of this Declaration, the Bylaws, or rules and regulations adopted by the Association (hereinafter collectively referred to as the "Governing Documents"); (ii) the imposition and collection of assessments; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Association in proceedings against it.

Prior to the Association or any Member commencing any proceeding to which Declarant is a party, including, without limitation, a proceeding based on an alleged defect in any improvement, Declarant shall have the right to be heard by the Members, or the particular Member, and to have access to inspect and correct the condition of or redesign any portion of any improvement as to which a defect is alleged or to otherwise correct or resolve the dispute.

(b) Alternative Method for Resolving Disputes

Declarant, its officers, directors, employees and agents, the Association, its officers, directors and committee members, all Owners, Members, any Builder, its officers, directors, employees and agents, and any other person or entity not otherwise subject to this Declaration who agrees to submit to this Section 8 (each such person or entity being herein referred to as a "Bound Party" or, in groups, as the "Bound Parties") each agrees to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances and disputes described in Subsection (c) hereof (herein referred to as the "Claims") to the procedures set forth in Subsection (d) hereof.

(c) Claims

Unless specifically exempted below, all Claims between any of the Bound Parties, ~~regardless of how such Claims might have arisen or on what they might be based,~~ including, but not limited to, Claims: (i) arising out of or relating to the interpretation, application or enforcement of the Governing Documents or the rights, obligations and duties of any Bound Party under the Governing Documents; (ii) relating to the design and construction of improvements; or (iii) based on any statements, representation, promises, warranties, or other communications alleged to have been made by or on behalf of any Bound Party, shall be subject to the provisions of Subsection (d) below.

Notwithstanding the foregoing, unless all parties to any such dispute otherwise agree in writing, the following shall *not* be deemed to be Claims covered by this Section 11.08(c) and shall *not* be subject to the provisions of Subsection (d) below: (i) any proceeding by the Association against any Bound Party to enforce the provisions of Article V of this Declaration; (ii) any proceeding by the Association or the Declarant to obtain a temporary restraining order or injunction (or equivalent equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the *status quo* and preserve the Association's or the Declarant's ability to act under and enforce the provisions of Article VII and Article X of this Declaration; (iii) any proceeding between or among Owners, which does not include the Declarant, a Builder, or the Association as a party, if such proceeding asserts a Claim which would constitute a cause of action independent of the Governing Documents; or (iv) any proceeding in which no Bound Party is an indispensable party.

With the consent of all parties thereto, any dispute involving any of the foregoing excepted actions may be submitted to the alternative dispute resolution procedures set forth in Subsection (d) below.

(d) Mandatory Procedures

1. Notice

Any Bound Party having a Claim (the "Claimant") against any other Bound Party (the "Respondent") (the Claimant and the Respondent being herein individually referred to as a "Party" and collectively as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

- (i) the nature of the Claim, including the persons or entities involved and the Respondent's role in the Claim;
- (ii) the legal basis of the Claim (i.e., the specific provisions of the Governing Documents or other authority out of which the Claim arises);
- (iii) the proposed remedy; and
- (iv) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

2. Negotiation and Mediation.

- (i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board of Directors of the Association may appoint a representative to assist the Parties in their negotiations.
- (ii) If the Parties do not resolve the Claim within 30 days after the date of the Notice (or within such other time period as may be agreed upon by the Parties), Claimant shall have an additional 30 days in which to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate.
- (iii) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation. Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge the Respondent from any liability to any person or entity other than the Claimant.
- (iv) Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to AAA mediation, or within such other time as may be determined by the mediator, or agreed to by the Parties, the mediator shall issue a written notice of termination of the mediation process, which notice shall state that the Parties are at an impasse and set forth the date that mediation was terminated (hereinafter "Termination of Mediation").
- (v) Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all fees and expenses of the mediator and the administrative fees of mediation. If the Parties agree to a resolution of a Claim through negotiation or mediation as set forth in this Subsection (d), and any Party thereafter fails to abide by the terms of the settlement agreement, any other Party may file suit or initiate arbitration proceedings to enforce the

agreement without the need to again comply with the procedures set forth in this Subsection (d). In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or, if more than one Party is in noncompliance, from all non-complying Parties pro rata) all costs incurred by such Party in enforcing the agreement, including, without limitation, attorneys' fees and court costs.

3. Binding Arbitration.

- (i) After Termination of Mediation, Claimant shall be entitled to submit the Claim to final, binding arbitration under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. No Claim subject to this Subsection (d), whether by the provisions thereof or by agreement of the Parties, shall be submitted to or decided by or in a court of law. Any judgment upon the award entered by the arbitrator may be entered in and enforced by a court of competent jurisdiction. If the amount claimed by the Complainant or, by the Respondent in a counterclaim, exceeds \$250,000, the Claim shall be heard and determined by three arbitrators. Otherwise, unless the Parties otherwise agree, the Claim shall be heard and determined by an arbitrator. An arbitrator shall have expertise in the areas of the Claim, which may include legal expertise if legal issues are involved.
- (ii) Each Party shall bear its own costs of the arbitration, including attorneys' fees, and each Party shall share equally all fees and expenses of the arbitrator and the administrative fees of arbitration.
- (iii) Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions regarding the arbitrability of any Claim shall be decided by the arbitrator(s).
- (iv) The award of the arbitrators shall be accompanied by detailed written findings of fact and conclusions of law. Except as required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all Parties involved in the arbitration.

(e) Amendment of Subsection

Notwithstanding any other provision of this Declaration, this Subsection 8 may not be amended prior to the expiration of 20 years from the date of recording of this Declaration without the prior written consent of the Declarant.

Signatures

Signed, Sealed and Delivered in the presence of:

Misty H. Phillips
Witness Number 1

Julie E. Ash
Witness Number 2

DECLARANT:

Beachwood, LLC, an Indiana Limited Liability Company

By: Greg Whitehead

Name: Greg Whitehead

Title: member.

Date Executed: 1-28-05

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

PROBATE

PERSONALLY APPEARED BEFORE ME Misty H. Phillips

who, first being duly sworn, deposes and states that she, together with Julie E. Ash, saw the within named Declarant, by and through its authorized officer, sign, seal, deliver and, as Declarant's own free act and deed, deliver the within DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE MADISON GREEN SUBDIVISION.

Sworn to and Subscribed Before Me
This 28th Day of January, 2005:

Misty H. Phillips

[Signature]
Notary Public for S.C.
My Commission Expires: 7-30-06

Exhibit "A"

Legal Description of Property

Madison Green Subdivision, Phase I and Phase II

That certain piece, parcel, or tract of land consisting of 38.87 acres, more or less, as shown and depicted on a plat entitled "Final Plat of Madison Green Subdivision Phase I and Phase II" dated December 15, 2004 and last revised on January 12, 2005, prepared and certified by Edward F. Woodward, P.L.S. #8613, of Williams Engineering, Inc., the said plat being recorded in Plat Book C354 at Page 5 in the office of the Clerk of Court for York County, South Carolina, which plat is incorporated herein by reference, and having such metes, bounds, courses and distances as by reference to said plat will more fully appear, and being a portion of that same piece, parcel, or tract of land conveyed from Crown Homes, Inc. to Beachwood, LLC by deed dated April 22, 2003 and recorded April 23, 2003 in Deed Book 5209 at Page 172 in the office of the Clerk of Court for York County.

Beachwood, LLC

Post Office Box 4306
Rock Hill, SC 29732
Phone (803) 324-3009
Fax (803) 325-2141

January 31, 2005

KB Homes
Karen Brooksby
6135 Lakeview Drive
Suite 250
Charlotte, NC 28269

RE: Madison Green

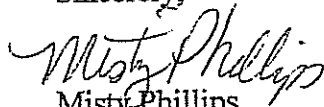
Dear Karen:

I hope you are doing well.

Please find enclosed a copy the recorded Madison Green Restrictive Covenants for Phases I and II.

If you have any questions, please do not hesitate to contact me @ (803) 324-3009 ext. 25.

Sincerely,


Misty Phillips
Closing Coordinator