

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
TOWNE SQUARE TOWNHOMES AT REGENT PARK**

THIS DECLARATION is made this 26th day of January, 2006, by OLSON DEVELOPMENT, LLC, a South Carolina limited liability company (hereinafter referred to as "Declarant"), and as evidenced by the instrument of joinder and consent in Exhibit "B" attached hereto, NUSOUTH, INC. (hereinafter referred to as "NUSOUTH"), a Builder has defined in Article II below.

**WITNESSETH:**

WHEREAS, Declarant and NUSOUTH are the owners of the real property in Fort Mill Township, York County, South Carolina, shown on recorded maps of TOWNE SQUARE, which is more particularly described in Article I below, and desires to create thereon a residential community of single-family attached residential units to be named **TOWNE SQUARE TOWNHOMES AT REGENT PARK**; and

WHEREAS, Declarant desires to insure the attractiveness of the community, to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within the community and to provide for the maintenance and upkeep of the exterior of all residential units and the Common Area, as hereinafter defined; and to this end, desires to subject the real property as hereinafter described to the coverage of the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property described below, and each owner thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in the community and to provide for the maintenance and upkeep of the exterior of all residential units and the Common Area, to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the Common Area, maintaining the exterior of the residential units, administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated or will incorporate under South Carolina law, **TOWNE SQUARE OWNERS' ASSOCIATION**, as a non-profit corporation for the purpose of exercising and performing the aforesaid functions.

NOW, THEREFORE, Declarant hereby declares that all of the properties described in Article 1, Section 1 below, and such additions thereto as may be hereafter made pursuant to Article 1, Section 2 hereof, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

## ARTICLE I

### PROPERTIES SUBJECT TO DECLARATION

Section One: Property. The Property/Properties which initially are and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, and within the jurisdiction of the Association, are more particularly described on Exhibit "A" attached hereto.

## ARTICLE II

### DEFINITIONS

Section One. "Association" shall mean and refer to **TOWNE SQUARE OWNERS' ASSOCIATION**, its successors and assigns.

Section Two. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having any interest merely as security for the performance of an obligation.

Section Three. "Properties" shall mean and refer to that certain real property hereinbefore described.

Section Four. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision (phase) map of the Properties with the exception of the Common Area and shall include all improvements thereon.

Section Five. "Declarant" shall mean and refer to **OLSON DEVELOPMENT, LLC**, its successors and assigns, if such successors or assigns should acquire all of the Declarant's interest in the Properties.

Section Six. "Common Area" shall mean all real property owned by the Association for

the common use and enjoyment of the owners. Common Areas, with respect to the property subject to this Declaration, shall be shown on the various phase plats of TOWNE SQUARE recorded or to be recorded in the County Public Registry and designated thereon as "Common Areas," but shall exclude all lots as hereinafter defined and all public streets shown thereon. "Common Area" shall include all private streets shown on said plats as now recorded or shall be hereinafter recorded in the County Public Registry. The Common Area to be owned by the Association at the time of the conveyance of the first lot is more particularly shown on the plat which shows the said first lot as recorded in the County Public Registry. Notwithstanding any of the above, "Common Area" shall not be construed as including any part of the Property yet to be developed for future Lots, unless such property has been specifically designated as "Common Area" on a plat recorded in the County Public Registry by the Declarant.

Section Seven. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section Eight. "Member" shall mean and refer to an Owner who holds membership in the Association pursuant to Article IV of this Declaration.

Section Nine. "County Public Registry" shall mean and refer to the office of the Clerk of Court for York County, South Carolina.

Section Ten. "Special Declarant Rights" shall mean the rights for the benefit of Declarant, including, but not limited to the following: to exercise any development right as otherwise described, referenced, or inferred in this Declaration; to maintain sales offices, management offices, models, and signs advertising TOWNE SQUARE, to use easements through the common area for the purpose of making improvements within TOWNE SQUARE or within such real estate which may be added to TOWNE SQUARE; and to erect, appoint, or remove any officer or Board Member of the Association during any period of Declarant control.

Section Eleven. "Unit" shall mean the individual dwelling unit constructed on any Lot.

Section Twelve. "Builder" shall mean an Owner of a Lot, and its successors and assigns, which has acquired such Lot directly via a conveyance by the Declarant, and which has further either constructed or intends to construct a dwelling unit on the Lot for sale to a third party Owner.

### ARTICLE III

#### PROPERTY RIGHTS

Section One. Owners' Easements of Enjoyment. Every Owner shall have a right and

easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to suspend the voting rights and right of use of the recreational facilities by an Owner: (1) during any period for which the Owner is delinquent in the payment of assessments and (2) for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members agreeing to such dedication or transfer has been recorded;

Portions of the Common Area may be conveyed or subjected to a security interest by the Association if persons entitled to cast at least eighty percent (80%) of the votes in the Association agree in writing to that action. Proceeds of the sale or financing of Common Area shall be an asset of the Association. The Association, on behalf of the Lot Owners, may contract to convey Common Area or subject Common Area to a security interest, but the contract is not enforceable against the Association until approved as hereinabove set forth. Thereafter the Association has all powers necessary and appropriate to affect the conveyance or encumbrance, free and clear of any interest of any Lot owner or the Association in or to the Common Area conveyed or encumbered, including the power to execute deeds or other instruments. No conveyance or encumbrance of Common Area may deprive any Lot of its rights of access and support.

(d) The right of individual owners to the exclusive use of parking spaces as provided in this Article;

(e) The right of the Association to limit the number of guests of Members;

(f) The right of the Association to adopt, publish, and enforce rules and regulations as provided in Article IX;

(g) The right of the Association to enter any lot in order to perform any maintenance, alteration, or repair required herein to be performed by the

Association and the Owner of such lot shall permit the Association or its representative to enter for such purpose at reasonable times and with reasonable advance notice;

(h) The right of the Association or its representative to enter any lot in the case of any emergency threatening such lot or any other lot for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate.

(i) The easement rights of the Declarant reserved in Article X of this Declaration.

Section Two. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area depicted on such map(s) to the Association, free and clear of all encumbrances and liens, except those set forth in this Declaration, utility, and storm drainage easements, prior to the conveyance of the first lot on that particular map. Following conveyance of Common Area to the Association, Declarant shall be entitled to a proration credit for all expenses of the Association incurred by Declarant (including insurance and real estate taxes) which have not theretofore been reimbursed to Declarant. The Common Area shall be conveyed without any express or implied warranties, which warranties are hereby expressly disclaimed by Declarant.

Section Three. Parking Rights. Ownership of each Lot shall entitle the Owner or Owners thereof to the use of that respective dwelling's garage and the appurtenant driveway extending from the street to the garage, together with the right of ingress and egress in and upon said parking areas. The Association may assign and/or designate any additional vehicle parking spaces on the Properties for each dwelling and/or as visitor or short-term parking. Owners shall not be permitted to park vehicles on the streets or Common Area except within area(s) which may be specifically designated for such purposes by the Association.

Section Four. Television Antennas and Cable Service. The Association may provide one or more central television antennas for the convenience of the Members and/or supply, contract, or otherwise make provision for cable television service to be provided to all of the Lots and the cost of these may be included in annual or special assessments.

## ARTICLE IV

### MEMBERSHIP AND VOTING RIGHTS

Section One. Every Owner of a Lot which is subject to assessment shall be a Member of

the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section Two. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant and Builders and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member(s) shall be the Declarant and Builders, and they shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; or
- (b) on December 31, 2010.

## ARTICLE V

### COVENANT FOR MAINTENANCE ASSESSMENTS

Section One. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, late charges, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, late charges, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section Two. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the enjoyment, health, safety, and welfare of the residents of the Properties and in particular for the improvement and maintenance of the Common

Areas and of the exterior of the dwellings, including the maintenance, repair, and reconstruction of private water and/or sewer lines (and any meters or lift stations associated therewith), private streets, driveways, walks, and parking areas situated on the Common Area, such maintenance to include the cutting and removal of weeds and grass, the removal of trash and rubbish, or any other maintenance, and for the exterior maintenance of the residences situated upon the Properties as hereinafter provided, for the use and enjoyment of the Common Area, including, but not limited to, the cost of repairs, replacements, and additions; the cost of labor, equipment, materials, management, and supervision; the payment of taxes and public assessments assessed against the Common Area; the procurement and maintenance of insurance in accordance with this Declaration; the employment of attorneys to represent the Association when necessary; the provision of adequate reserves for the replacement of capital improvements; including, without limiting the generality of the foregoing, roofs, paving, and any other major expense for which the Association is responsible, and such other needs as may arise. In addition thereto, in further promotion of the enjoyment, health, safety, and welfare of the residents of the Properties, the Board of Directors shall have the authority upon the violation of this Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any assessments, to impose reasonable monetary fines on the Owner guilty of such violation which shall also constitute an equitable charge and a continuing lien upon the properties of such Owner.

Section Three. Reserves. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the common areas and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established, insofar as is practicable, out of regular assessments for common expense.

Section Four. Maximum Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment shall be \$95.00 per month per Lot (or \$1,140.00 annual per year), except that pursuant to Section Seven of this Article, the maximum monthly assessment for Lots owned by Declarant which are not occupied as a residence shall be \$23.75 for Lots on which no dwelling unit has been constructed thereon, and \$47.50 on Lots for which a dwelling unit has been constructed thereon. The maximum monthly assessment for Lots owned by Builders which are not occupied as a residence shall be \$47.50 per Lot. Notwithstanding the above, Declarant shall pay any operating expense shortfall of the Association so long as its Class B membership exists pursuant to Article IV, Section Two.

(A) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Board of Directors effective January 1 of each year, but subject to the limitation that any such increase shall not exceed the greater of ten percent (10%) or the percentage increase in the Consumer Price Index (published by the U.S. Department of Labor) for all cities over the preceding twelve (12) month period

which ended on the previous October 1.

(B) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, or until increased as provided for in (a) above or (c) below, whichever last occurs, the maximum annual assessment may be increased above the increase permitted in Section 4(a) above by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

(C) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section Five. Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of supplying adequate reserve funds for the replacement of capital improvements or for defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and in connection with exterior maintenance, including fixtures and personal property related thereto, *provided that* any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section Six. Notice and Quorum for any Action Authorized Under Sections Four and Five. Written notice of any meeting called for the purpose of taking any action authorized under Section Four(b) or Five shall be sent to all Members no less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at any subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section Seven. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Lots and shall be collected on a monthly pro-rata basis (or on a quarterly pro-rata basis if determined by the Board of Directors). Provided, however, that the assessment for Lots owned by Declarant or Builders which are not occupied as a residence, shall at all times be no more than as provided in Article V, Section Four above.

Section Eight. Date of Commencement of Annual Assessments; Due Dates. The development consists of up to fifty-two (52) single-family attached homes, located in approximately nine (9) separate buildings, on the property described in Exhibit "A" hereto. The annual assessments provided for herein shall commence, on a pro-rata basis, as to



Lots in each building on the day of the month on which the first Lot included within such building is conveyed by Declarant. Such annual assessments shall be paid ratably on a monthly basis, or if determined by the Board of Directors, ratably on a quarterly (i.e. every three month) basis. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. The commencement date for the first annual assessment period shall be the first day of the month following Declarant's conveyance of the first Lot to an Owner; however, the commencement date for subsequent annual periods may be changed by a majority vote of the Members present at a duly called meeting of the Association. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section Nine. Effect of Nonpayment of Assessments: Remedies of the Association. A late charge of Fifteen and No/100 Dollars (\$15.00) shall be added to any assessment not paid within fifteen (15) days after the due date, together with interest from the due date at eight percent (8%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and in either event: interest, costs, and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his or her Lot.

Section Ten. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which are due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section Eleven. Working Capital Fund. At the time of closing of the sale of each Lot, a sum equal to at least two months' assessment for each Lot shall be collected and transferred to the Association to be held as a working capital fund. The purpose of said fund is to insure that the Association Board will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

## ARTICLE VI

### EXTERIOR MAINTENANCE AND PARTY WALLS

Section One. Exterior Maintenance. In addition to maintenance of the Limited Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint and/or stain the exterior of the townhouses, repair, replace and care for roofs, exterior building surfaces (including but not limited to siding, trim, and windows), trees and shrubs (excluding those planted by an Owner), grass, walks, mailboxes, fences installed by Declarant or the Association, exterior post lights, and other exterior improvements. Further, the Owner of any Lot may, at his or her election, plant flowers in the front and rear beds established by Declarant in developing the Lot, provided that such landscaping or maintenance by the Owner does not hinder the Association in performing its maintenance of the exterior of the house and the remaining yard spaces. No maintenance by a Lot Owner shall reduce the assessment payable by him to the Association. The Owner shall not alter the landscaping or plant any vegetation, excepting only flowers in any front or rear planting beds established by the Declarant or the Association for flowers, in either the front, side, or back yards except with the prior written approval of the Association.

Due to differing amounts of exposure to the elements and other factors, the exterior of some Units may require more maintenance than others. It being in the best interest of the entire Association that the exterior of all Units be properly maintained, the Association shall be required to provide the maintenance provided for herein and make a uniform charge without regard to the actual cost of maintenance of each dwelling or Lot.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject. The Association is hereby granted an easement right of access to go upon any Lot for performance of repairs or maintenance, the responsibility of which is the Association's hereunder.

#### Section Two. Party Walls.

(A) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the dwellings upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. No alterations may be made to any party wall other than alterations to the interior surfaces within the Units.

(B) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

(C) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice however to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(D) Weatherproofing. Notwithstanding any other provision of this Article, an owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(E) Right of Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

(F) Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Section Two, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

## ARTICLE VII

### ARCHITECTURAL CONTROL

No building, fence, signs, wall, antenna or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein (including but not limited to, color or painting of the exterior and type of exterior finish, installation of storm (or screen) doors and windows, or changes to any existing or builder-installed construction material, plant material or ground cover) be made, unless or until three copies of the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and the same have been approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board (said committee being hereinafter referred to as the "Architectural Control Committee"). Absent such approval, the proposed improvement may not be commenced. No fence, deck or patio may be erected or constructed so as to extend more than eleven (11) feet from the predominant rear building line of the dwelling located on the Lot.

"Predominant Rear Building Line" shall be defined as the original ground floor rear building line (excluding storage rooms). If more than one Rear Building Line exists (due to building offsets) the line with the maximum lineal footage will be considered the "Predominant Rear Building Line." Notwithstanding the above, the Board of Directors of the Association shall have the authority to waive this restriction in exceptional cases where the construction of fences, decks or patios more than eleven (11) feet from the Predominant Rear Building Line do not adversely affect any of the conditions or restrictions contained in this Declaration. No fence, deck or patio may be constructed or erected in or adjacent to the side yard of Lots located at the ends of buildings except with the approval of the Declarant or the Board of Directors of the Association. No fence, deck, or patio shall be constructed which prevents ingress/egress to the rear yards of interior lots or to Common Area behind the Buildings.

In the event an Owner of any Lot in the Properties shall make unauthorized changes to the Lot or Common Area and the improvements situated thereon in a manner unsatisfactory to the said Board of Directors or the Architectural Control Committee, said Board of Directors or the Architectural Control Committee shall have the right, through its agents and employees, to enter upon said property and to repair, maintain and restore the Lot or Common Area and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance and any other costs or attorney's fees incurred in the enforcement of the rights under these provisions shall be added to and become a part of the assessments to which such Owner's Lot is subject. Any approval by the said Board of Directors or the Architectural Control Committee shall be in accordance with the requirements set forth hereafter.

## ARTICLE VIII

### INSURANCE

Section One. Association Coverage. Insurance coverage on the Property shall be governed by the following provisions:

(a) Ownership of Policies. All insurance policies upon the Property shall be purchased by the Association for the benefit of the Association and the Owners and their mortgagees as their interest(s) may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Owners. Owners shall be responsible for obtaining separate insurance coverage at their own expense upon all improvements on the Lot not otherwise covered by policies procured and maintained by the Association, including but not limited to coverage for interior and exterior improvements and upgrades, contents, furnishings, and all other personal property to the Owner or occupants to the dwelling, and for personal liability, living expense and such other coverage as they may desire.

(b) Coverage. All buildings and improvements upon the land and all personal property of the Association included in the Common Areas and facilities shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:

- ( I ) Loss or Damage by fire or other hazards covered by a standard extended coverage endorsement;
- ( II ) Such other risks as from time to time shall be customarily covered with respect to buildings on the land; and
- ( III ) Such policies shall contain clauses providing for waiver of subrogation.

( c ) Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association may determine from time to time to be desirable and necessary.

( d ) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be included as part of the assessment described in Article V above.

( e ) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustees under this Declaration. The sole duty of the Association as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purpose stated herein or stated in the Bylaws and for the benefit of the Owners and their mortgagees in the following shares:

- (I) Proceeds on account of damage to Common Areas and facilities held for the Association.
- (II) Proceeds on account of damage to Lots shall be held in undivided shares for the Owners of damaged Lots in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.
- (III) In the event a mortgage endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

Section Two. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

- (a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefore.
- (b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners as above provided.

Section Three. Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust, shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months' assessments, plus reserves accumulated.

## **ARTICLE IX** **USE RESTRICTIONS**

Section One. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Areas. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section Two. Antennas. No outside radio transmission tower or receiving antenna shall be erected by an Owner within the restricted property without the prior written approval of the Architectural Control Committee.

Section Three. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section Four. Nuisances. No activity deemed noxious or offensive by the Architectural Control Committee shall be carried on upon any Lot or within the Common Area, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood as determined by said Architectural Control Committee. Examples of such offensive activities shall include, but to be limited to, the origination or emission of any loud or disturbing noise or vibrations, auto or vehicle repairs on the Lot or Common Area, the maintenance of unsightly outdoor storage of personal property (including toys, motorcycles or other motor vehicles, tricycles, bicycles, wood piles or other miscellaneous items) on porches, patios, decks, terraces or yards, or similar unsightly activity not in keeping with the

aesthetic character and high level of appearance of the community. The Architectural Control Committee, with the approval of the Board of Directors, may establish reasonable rules and regulations for enforcing the provisions of this Section Four.

Section Five. Parking of Vehicles and Use of Property. Each Lot shall be assigned either by assignment at the time of the Lot's initial conveyance to an Owner, or by subsequent assignment or reassignment of spaces by the Board of Directors, two (2) parking spaces, which spaces may be used by the Owner of such Lot for the parking of one passenger vehicle or motorcycle per space. No house trailer, boat, boat trailer, camper, tent, shed, or any other such vehicle, trailer, vessel or temporary structure shall be permitted to be parked or placed within the Properties except within area(s) which may be specifically designated for such purposes by the Association; provided, however, temporary buildings and other structures shall be permitted during the construction period of houses or as a temporary real estate sales office of Developer for the sale of lots. No garage, outbuilding, or other appurtenant structure shall be used for residential purposes, either temporarily or permanently, nor shall any portion of the property (except as expressly stated in the preceding sentence) be used except for residential purposes and for purposes incidental or necessary thereto.

Section Six. Signs. With the exception of signs erected by Declarant or a Builder pursuant to Article XI hereof, no sign of any kind whatsoever shall be erected upon or displayed or otherwise exposed to view on any lot or any improvement thereon without the prior written consent of the Board of Directors of the Association.

Section Seven. Animals and Pets. No animals, livestock, poultry, or reptiles of any kind shall be raised, bred or kept on any Lot; provided, however, that dogs, cats, and birds (in any combination up to a total of three (3) maximum of combined dogs, cats and/or birds per household/Lot) may be kept, provided they are not kept, bred or maintained for any commercial purposes, and provided facilities for such pets, and the pets themselves, do not create a nuisance as determined by the Board of Directors or its designated committee, in which case the nuisance will immediately be abated upon request of said Board of Directors or its designated committee.

Section Eight. Control of Dogs and Cats. Every person owning or having possession, charge, care, custody or control of any dog or cat shall keep such dog or cat exclusively upon his own premises; provided, however, that such dog or cat may be off the premises if it be under the control of a competent person and restrained by a chain, leash or other means of adequate physical control.

Section Nine. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, and all trash, garbage or other waste shall be stored in sanitary containers in accordance with the rules and regulations of the Association or any health or public safety authority having jurisdiction over the property. No trash, garbage or other waste may be placed within the Common Area, except in containers approved by the

Board of Directors.

Section Ten. Limitation on Number of Occupants Per Lot. Except with approval of the Board of Directors, the occupation of any dwelling on a Lot shall be limited to a maximum of no more than two (2) persons per each bedroom contained within the dwelling constructed thereon; the number of bedrooms to be determined by reference to the original plans and drawings for the dwelling at the time of its initial construction.

Section Eleven. Applicability and Enforcement of Regent Park Covenants. The Properties herein have been made subject to that certain Declaration of Restrictions and Limitations and Provisions for Membership in Regent Park Community Owners' Association, Inc., recorded in Record Volume 1070 at Page 87 in the Clerk of Court's Office for York County, South Carolina, as amended (the "Regent Park Covenants"). In the event of a violation of any provision of said Regent Park Covenants by the Owner of a Lot subject to this Declaration, including any restriction, covenant, rule or regulation as promulgated by the Regent Park Community Owners' Association pursuant to the Regent Park Covenants, said violation shall also be deemed a violation and breach of the rules of use provided under this Declaration as well, and in accordance therewith, the Association reserves the right to take enforcement action with respect to the violation as if said violation had occurred against the Association pursuant to the provisions herein.

## ARTICLE X

### EASEMENTS

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone, and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress, egress, and regress across all Common Areas, now or hereafter owned by the Association, for the purpose of construction of improvements within the Properties, including the right of temporary storage of construction materials on said Common Areas.

So long as Declarant owns any property described on Exhibit "A", Declarant reserves blanket easements and the right to grant such specific easements over all Lots and Common Areas, as may be necessary in conjunction with the orderly development of the property described on Exhibit "A," or any adjacent property (including without limitation the planning, construction, marketing, leasing, management and maintenance of



improvements) for access, construction and maintenance of public or private utilities and storm drainage (whether subsurface or surface). No such easements may be located within the area beneath any building located thereon.

All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves and walls.

Declarant reserves access easements over all Lots for construction, either for that Lot or any adjacent property and easements for the installation of public or private utilities and storm drainage (whether subsurface or surface).

## ARTICLE XI

### DECLARANT'S RIGHTS

The right is reserved by Declarant, or its agents, to place and maintain on the Properties all model homes, sales offices, advertising signs and banners and lighting in connection therewith and other promotional facilities at such locations and in such forms as shall be determined by Declarant. There is also reserved unto Declarant, its agents and prospective purchasers and tenants, the right of ingress, egress and transient parking in and through the Properties for such sales purposes. Declarant also reserves the right to maintain on the Properties without charge (a) a general construction office for Declarant's contractors and (b) appropriate parking facilities for the employees of Declarant's agents and contractors. Declarant's aforesaid reserved rights shall exist at any time Declarant is engaged in the construction, sale or leasing of residences on any portion of the Properties or on any land adjacent to the Properties and no charge shall be made with respect thereto. Notwithstanding any provision herein to the contrary, the rights and easements created under this Declaration are subject to the right of Declarant to execute all documents and do all other acts and things affecting the premises, which in the Declarant's opinion, are required to implement any right of Declarant set forth in this Declaration (including the making of any dedications or conveyances to public use) provided any such document or act is not inconsistent with the then existing property rights of any Owner.

## ARTICLE XII

### LIMITATIONS ON LITIGATION

Commencement of Litigation. Any litigation by the Association other than as follows (the "Exempt Claims") shall require an affirmative vote of 75 % of the members of the Association prior to the institution of such litigation. Exempt Claims shall be those as follows:

(a) any suit by the Association against the Declarant and all Persons subject to this Declaration to enforce the provisions of Article V (Assessments);

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency 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 ability to enforce the provisions of Article VII (Architectural Control) and Article IX (Use Restrictions);

(c) any suit between Owners (other than Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under federal law or the laws of the State of South Carolina in the absence of a claim based on the Declaration, By-Laws, Articles or rules of the Association, if the amount in controversy exceeds \$5,000.00;

(d) and any suit arising out of any written contract between Owners, or between the Declarant and any builder, which would constitute a cause of action under the laws of the State of South Carolina in the absence of the Declaration, By-Laws, and Articles of the Association; and

(e) any suit in which any party thereof is not either the Association, the Declarant, or a Person subject to this Declaration.

## ARTICLE XIII

### GENERAL PROVISIONS

Section One. Enforcement. The Association, or any Owner, 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 by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section Two. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section Three. Amendment. This Declaration may be amended only in strict compliance with the provisions of this Declaration, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of the Declarant.

Section Four. Termination. The Association may be terminated only in strict compliance with the provisions of this Declaration.

Section Five. Management and Contract Rights of Association. Declarant shall enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. Declarant contemplates that the initial manager may be the Declarant or a firm affiliated with the Declarant. No such management contract shall be binding upon the Association except through express adoption or ratification of the terms and conditions of such contract. Any such contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract, without justification or penalty, upon ninety days notice after transfer of management by Declarant to the Association.

Section Six. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and the right to designate a representation to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners' Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

Section Eight. Notices. Any notice required or desired to be given under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, directed to the last known Mortgage Holder or other party entitled to notice, at the last known address for each such party, all as shown on the books and records of the Association at the time such notice is given.

Section Nine. Exculpation. It is expressly understood and agreed that nothing contained in this Declaration shall be interpreted or construed as creating any liability whatsoever, directly or indirectly, against Declarant or any of its officers, members, managers, employees, agents, attorneys, heirs, executors, legal representatives, successors or assigns (collectively the Declarant Related Parties) for monetary relief or damages. In particular, and without limiting the generality of the foregoing, if any proceeding shall be brought to enforce the provisions of this Declaration, the party instituting such proceeding shall not be entitled to take any action to procure any money judgment against any of the Declarant Related Parties.

Section Ten. Conflict with the Act: Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstance.

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EXHIBIT "A"

**DESCRIPTION OF PROPERTIES SUBJECT TO DECLARATION**  
**(ARTICLE I, SECTION ONE)**

ALL that certain piece, parcel, or tract of land shown and designated as 16.167 acres on a plat of survey entitled "Property Surveyed for Regent Park Corporation Located in the Fort Mill Township, York County, South Carolina," dated August 4, 2003, prepared and certified to by William T. Stanford, Jr., S.C.P.L.S. #17932, of Fisher-Sherer, Inc. Engineering & Surveying, recorded in Plat Book C209 at Page 5 in the Clerk of Court's Office for York County, South Carolina; said property being that as conveyed to Olson Development, LLC, by deed recorded in Record Volume 5683 at Page 64.

→ **SAVE AND EXCEPTING THEREFROM:**

ALL that certain piece, parcel or tract of land lying, being and situate in Fort Mill Township, York County, South Carolina, on the eastern side of US Highway 21, containing 9.432 acres, more or less, as shown on plat of boundary survey for Olson Development LLC, drawn by Power Engineering Company, Inc. dated April 27, 2004, recorded in Plat Book C-355 at page 1, Office of the Clerk of Court for York County, South Carolina. [The property saved and excepted therefrom being the property conveyed to Centdev Regent, LLC and Wakeman 1, LLC by deed recorded in Record Volume 7711 at Page 132.]

The above plats are incorporated herein by reference and the property described shall have such metes, bounds, courses, and distances as by reference to said plats will more fully appear.

EXHIBIT "B"

**JOINDER AND CONSENT OF LOT OWNER  
TO DECLARATION FOR TOWNE SQUARE**

WHEREAS, NUSOUTH BUILDERS, INC., a North Carolina corporation, (hereinafter "Nusouth") is the owner of Lots identified as UNITS 6, 7, 8, 9, 10, and 11, TOWN SQUARE TOWNHOMES PHASE 1 AT REGENT PARK as shown in Plat Book D-34 at Page 3 and conveyed to NuSouth by deed recorded in Record Volume 7473 at Page 108, in the Clerk of Court's Office for York County, South Carolina (hereinafter "NuSouth's Lots"); and

WHEREAS, the within Declaration (to which this Exhibit "B" is attached) was not executed or filed in the public records prior to recording of the above referenced plat in the Clerk of Court's Office for York County, S.C., or the conveyance of the Lots to NuSouth; and

WHEREAS, it is the intent and desire of both the Declarant and NuSouth that the above referenced Lots be subject to the attached Declaration as if said Declaration had been recorded in the public records prior to filing of the plat showing NuSouth's Lots or the deed conveying said Lots to NuSouth; and

WHEREAS, NuSouth has reviewed the within Declaration of Covenants, Conditions and Restrictions for Towne Square (the "Declaration") and is agreeable to having its property subjected to the Declaration.

NOW, THEREFORE, in consideration of \$1.00, the receipt and sufficiency of which are hereby acknowledged, NuSouth hereby joins in the Declaration, and declares that its property referred to as "NuSouth's Lots" above be subjected to the Declaration and the jurisdiction of the Towne Square Owners' Association as set forth in said Declaration.

With respect to any mortgage held by the undersigned, this Joinder shall not in any way affect or diminish the lien of the existing mortgage on the property described above nor does the undersigned release or waive any of the covenants contained in its mortgage.

IN WITNESS WHEREOF, NuSouth has signed, sealed, and executed this instrument effective this 26th day of January, 2006.

WITNESSES:

Marty D. Pugh

Betty L. Howie

NUSOUTH:  
NUSOUTH, INC.

By: [Signature]  
Kent Olson, its Vice-President

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF YORK )

**ACKNOWLEDGEMENT**  
under SC Code §30-5-30(C)

I Betty L. Howie, do hereby certify that NUSOUTH, Inc., a \_\_\_\_\_ Carolina corporation, by KENT OLSON, its Vice-President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 26th day of January, 2006.

Betty L. Howie (SEAL)  
Notary Public for South Carolina  
My Commission Expires:



**FIFTEENTH AMENDMENT TO  
AMENDED AND RESTATED DECLARATION OF COVENANTS,  
RESTRICTIONS AND LIMITATIONS AND PROVISIONS FOR MEMBERSHIP  
IN REGENT PARK COMMUNITY OWNERS' ASSOCIATION, INC.**

**THIS** Fifteenth Amendment to Amended and Restated Declaration of Covenants, Restrictions and Limitations and Provisions for Membership in Regent Park Community Owners' Association, Inc. (hereinafter "Fifteenth Amendment") is made this 26th day of January, 2006, by **OLSON DEVELOPMENT, LLC and NUSOUTH BUILDERS, INC.**, the owners of the property described in Exhibit "A" hereto (hereinafter collectively referred to as "Property Owner"), and **REGENT PARK CORPORATION**, a South Carolina corporation (hereinafter referred to as "Declarant");.

**W I T N E S S E T H:**

**WHEREAS**, Regent Park Corporation as the Declarant first caused to be executed and recorded in the public records of York County that certain Amended and Restated Declaration of Covenants, Restrictions and Limitations and Provisions for Membership in Regent Park Community Owners' Association, Inc. in Record Volume 1070 at Page 87 in the Office of the Clerk of Court for York County (hereinafter referred to as the "Covenants"), which instrument amended a previous Declaration filed in Record Volume 987 at Page 105; and

**WHEREAS**, Article II of the Covenants described certain real property which was subject to the Covenants by the execution and recording of said document, as well as a description of additional property which could later be submitted to the Covenants with the action or consent of Declarant and in accordance with the mechanisms provided by the provisions of Article II; and

**WHEREAS**, Declarant has previously executed and recorded in the Clerk of Court's Office for York County, South Carolina amendments to the Covenants for the purpose of submitting and annexing additional lands to the Covenants; and

**WHEREAS**, in accordance with the mechanisms provided by the provisions of Article II for Additional Property, Declarant and Property Owner have executed this Fifteenth Amendment for the purpose of submitting and annexing additional lands as described herein to the Covenants.

**NOW, THEREFORE**, Declarant and Property Owner jointly hereby declare that the real property described in Exhibit "A" to this Fifteenth Amendment is and shall be held, transferred,





