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07-08-2019	11:59:22 AM
BK:RB 17641	PG:397-453

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
BARCLAY WOODS

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**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
BARCLAY WOODS**

**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS
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CAROLINA.**

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EXHIBIT A Bylaws

STATE OF SOUTH CAROLINA
COUNTY OF YORK

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR BARCLAY WOODS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (“**Declaration**”) is made as of the 28th day of June, 2019 by **GATEWAY COMMUNITIES NC LLC** (“**Declarant**”), a North Carolina limited liability company authorized to do business in South Carolina with offices located in Charlotte, North Carolina. All capitalized terms shall have the meaning set forth in **Article I** or elsewhere in this Declaration.

BACKGROUND STATEMENT

WHEREAS, the Declarant is the owner of the real property located in York County, South Carolina, which is shown on the Plat, which property, together with such additional property as shall have been from time to time brought under the scheme of this Declaration by Supplemental Declaration filed in the Registry (collectively, the “**Property**”), has been or will be developed into building lots (each a “**Lot**” and collectively the “**Lots**”), upon which townhome units (each a “**Townhome**” and collectively the “**Townhomes**”) shall be constructed. This development (“**Project**”) shall be known as Barclay Woods (provided, however, Declarant reserves the right to change said name as to all or any portion of the Property at any time and from time to time).

WHEREAS, in creating the Project, Declarant desires to develop a residential community with public roadways and common areas for the benefit of the owners of Lots within the Project. Declarant desires to provide for the maintenance of the common area and of the public roadways until such time as York County assumes maintenance responsibility for roadways and therefore desires to subject the Property to the covenants, restrictions, easements, charges and liens described in this Declaration; and

WHEREAS, Declarant desires to insure the attractiveness of the Lots and community facilities within the Property and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect, and enhance the values and amenities of the Property, and to provide for the maintenance and upkeep of the Common Areas, the Located Easements, and other community facilities and utilities within the Property; and, in order to accomplish these objectives, Declarant deems it advisable to subject the Property to the covenants, conditions, restrictions, easements, charges, and liens hereinafter set forth; and

WHEREAS, Declarant deems it desirable, in order to insure the efficient preservation, protection, and enhancement of the values and amenities of the Property and the residents’ enjoyment of the specific rights, privileges, and easements in the Common Areas and the other community facilities and utilities within the Property, that an organization be created to which will be delegated and assigned the powers of maintaining the Common Areas and the other community facilities and utilities within the Property, administering and enforcing this Declaration, and collecting and disbursing the assessments and charges hereinafter imposed; and

WHEREAS, Declarant has deemed it desirable to create a nonprofit, incorporated association which will be delegated and assigned powers of maintaining and administering the

public roadways and common areas of the Project, of administering and enforcing the covenants and restrictions created in this Declaration, of levying, collecting and disbursing the assessments and charges created in this Declaration, and of taking any steps or performing any acts deemed necessary or appropriate to preserve the values of the Lots and to promote the recreation, health, safety and welfare of the Owners of the Lots within the Project. In order to accomplish the foregoing, Declarant is entering into this Declaration; and

WHEREAS, Declarant has caused or will cause to be created for the purposes aforesaid, a North Carolina non-profit corporation under the name and style of Barclay Woods Homeowners Association, Inc. (“**Association**”);

STATEMENT OF DECLARATION

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

ARTICLE I

DEFINITIONS

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

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

“**Association**” shall mean and refer to the Barclay Woods Homeowners Association, Inc., a South Carolina non-profit corporation, organized pursuant to the Act, and its successors and assigns.

“**Board**” or “**Board of Directors**” shall mean and refer to the executive board of the Association.

“**Builder**” shall mean and refer to any person or entity that the Declarant designates to be a Builder in a written instrument recorded in the York County Public Registry.

“**Bylaws**” shall mean the bylaws adopted by the Association pursuant to the Act which are attached hereto as *Exhibit A*, as they may be amended or restated from time to time.

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

“**Common Area**” shall mean and refer to all real and personal property leased or owned by the Association and any easements granted to or reserved for the benefit of the Association for the common use and enjoyment of the Owners.

“**Declarant**” shall mean and refer to Gateway Communities NC LLC. It shall also include any person or entity who takes title to any portion of the Property and who is designated to be the Declarant in an instrument recorded in the York County Public Registry. “Declarant” shall also include any person or entity who takes title to all or a portion of the Property by virtue of the foreclosure of a mortgage that is given by Gateway Communities NC LLC or any successor Declarant and which encumbers the Property.

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

“**Townhome**” shall mean and refer to each portion of the Property that has been subdivided for use as a single-family attached unit dwelling site as shown on the Plat, which is owned by the Owner of the Lot on which it is constructed, and is subject to the terms and provisions of the Project Documents.

“**Landscape Easement**” shall mean and refer to the easements reserved by Declarant and/or granted to the Association in **ARTICLE X** hereof over, across and under certain areas of the Property for the installation and maintenance of entrance monuments, landscaping and other related improvements for the Project, all as more particularly described in **ARTICLE X**.

“**Lot**” shall mean and refer to any numbered plot of land appearing on any Plat of the Property which is the site for construction of a Townhome.

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

“**Mortgage**” shall mean and refer to a mortgage or deed of trust constituting a first lien on a Lot.

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

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

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

“**Plat**” shall mean and refer to the subdivision plats of the Property recorded in Map Book 160 at Pages 14-15 in the office of the Register of Deeds for York County, South Carolina and any revisions thereof as well as other subdivision plats identified in any Supplemental Declaration subjecting additional land to this Declaration.

“**Project**” shall mean and refer to the single-residential development located on the Property, which shall be known as Barclay Woods, but excluding any land designated for future development.

“**Project Documents**” shall mean and refer to this Declaration, the Articles of Incorporation of the Association, the Bylaws, and the rules and regulations governing the use of the Property, as the foregoing may be amended and supplemented from time to time, and all attachments and exhibits thereto.

“**Property**” shall mean and refer to the land shown on the Plat.

“**Rear Yard**” shall mean and refer to the area within each Lot bounded by the plane established by the rear façade of the Townhome and the rear and side property lines established on the Plat.

“**Roadways**” shall mean and refer to the public roads, streets, and cul-de-sacs in the Project as shown on the Plat and the Access Easement described in **Section 10.9**, all of which shall be maintained by the Association until the York County elects, in its discretion, to assume responsibility for Roadway maintenance.

“**Turnover Date**” shall have the meaning set forth in **Section 4.3** hereof.

ARTICLE II

EXPANSION OF PROJECT

Section 2.1. Additions by Declarant. Declarant reserves an option, until the twenty-fifth (25th) anniversary of the date of recording of this Declaration, to subject additional land to this Declaration in accordance with provisions of this **Article II**. Any additional land so subjected must be located within one (1) mile of the perimeter of the Property as previously expanded, and must be shown on a recorded subdivision plat. Declarant may exercise this right within the twenty-five (25) year period specified above, without the consent or approval of the Association, or any other Owner or Mortgagee, by executing and recording a Supplemental Declaration in the manner provided in **Section 2.2** below.

Section 2.2. Supplemental Declaration. In order to exercise any right to subject other land to this Declaration, Declarant shall execute and record a supplement to this Declaration (“**Supplemental Declaration**”). For purposes of this Article, “Supplemental Declaration” shall mean and refer to an instrument recorded in the public registry that annexes land into the Project as provided in **Section 2.1** above and subjects that land to the covenants, terms, provisions contained in this Declaration and which may impose additional or different restrictions and obligations (including assessments) on that land. Any Supplemental Declaration executed and

recorded by Declarant shall contain an exhibit legally describing the tract or parcel to be added to the Property and subjected to the Declaration.

Section 2.3. Conveyance of Common Area. Following the recording of each Supplemental Declaration, Declarant may convey to the Association any Common Area located within the additional property being subjected to this Declaration, as provided in **Section 3.2.** Common Area conveyed may be unimproved or improved.

ARTICLE III

COMMON AREA

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

- (a) The right of the Association, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred as permitted under **Section 3.2**;
 - (b) The right of the Association to take any steps that are reasonably necessary to protect the Common Area against foreclosure;
 - (c) The rights of the Association, as provided in the Project Documents and the Act, including without limitation, to impose fines and to suspend the voting rights of any Member for any period during which any assessment remains unpaid, or as a result of any infraction or violation of the Project Documents;
 - (d) The right of the Association, in accordance with the provisions of **Section 3.2**, to dedicate or transfer all or any part of the Common Area;
 - (e) The easements described in **ARTICLE X**;
 - (f) The right of the Association to establish reasonable rules and regulations for the use of the Property by Members or their tenants, family members, guests, invitees and agents, as provided in **ARTICLE XI**;
 - (g) Any and all other provisions of this Declaration and the Project Documents;
- and

(h) Any limitations, restrictions and prohibitions imposed by law or regulation on the areas designated on the Plat as undisturbed natural area, revegetated natural area, tree save area or BMP (wet pond) area.

Section 3.2. Title to Common Area Transfer or Dedication by Association. Declarant covenants for itself, its successors and assigns, that it shall convey fee simple title to the Common Area within the Property to the Association. Each such conveyance shall be subject to the rights, restrictions, and easements set forth in this Declaration, including the easements referenced in **ARTICLE X**, as well as other public and private access, utility and drainage easements and rights-of-way.

The Association may dedicate or transfer all or any part of the Common Area if the transfer or dedication is approved by the Declarant as long as the Declarant owns any Class B Lots and by Members who are entitled to vote not less than sixty-seven (67%) percent of the votes (Class A and Class B) in the Association. For purposes of this section, “**transfer**” shall include giving or granting a mortgage or security interest in all or part of the Common Area to any person or entity. Notwithstanding anything else contained in this Declaration and at any time prior to Turnover Date, Declarant may cause or require the Association to transfer or convey any Common Area back to the Declarant or to any other person or entity for any reason, including in connection with any action taken by the Declarant pursuant to **Section 12.3**.

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

Although dedicated to be public rights-of-way, the Roadways shall be maintained by the Association until the Roadways are accepted for maintenance by York County. Such maintenance shall include repair and reconstruction, when necessary. Maintenance of the Roadways shall conform, at a minimum, to the standard of maintenance (if one is ascertainable) which would be required by York County. Notwithstanding the forgoing, each Owner shall maintain that portion of the public right-of-way located between the property line of the Owner’s Lot and the improved portion of the Roadway adjacent thereto, including, without limitation, all planting strips, but excluding concrete sidewalks, all as more particularly provided in **ARTICLE VIII**.

Notwithstanding any provision in this Declaration to the contrary, any retaining wall constructed by the Declarant or the Builder on any Lot and any fencing located or installed on or adjacent to any retaining wall constructed by the Declarant or the Builder shall be treated as part of the Common Area for purposes of this **ARTICLE III** only, and the Association will be responsible for the repair, maintenance and replacement of any retaining wall and fencing constructed by the Declarant or the Builder on any Lot as provided herein.

The Association shall not be responsible for the maintenance of any Townhome, Lot or any portion of any Lot or the improvements within the boundaries thereof. The Owners of such Lots shall be solely responsible for same.

Section 3.4. Reserve Fund(s). The Association may establish and maintain reserve fund(s) for the periodic maintenance, repair and replacement of all or a portion of the Common Areas and/or Roadways in order to fund unanticipated expenses of the Association and/or to acquire equipment or services as may from time to time be deemed reasonable, necessary or desirable by the Board of Directors. Such reserve fund(s) shall be collected and maintained out of the assessments, as hereinafter provided in **ARTICLE V**. Assessments collected as reserves shall not be considered advance payments of Annual Assessments.

Section 3.5. Request for State Maintenance of Roadways. The Declarant and after the Turnover Period, the Association may (but shall not be obligated to) request that the Roadways be accepted for maintenance by York County or other governmental entity. **THE DECLARANT MAKES NO WARRANTIES OR REPRESENTATIONS REGARDING THE ACCEPTABILITY OF THE ROADWAYS OR ANY IMPROVEMENTS OR FACILITIES THEREON OR ADJACENT THERETO TO YORK COUNTY OR ANY OTHER GOVERNMENTAL ENTITY.** In the event the Roadways are accepted for maintenance by York County or another governmental entity, the Association shall no longer have any obligation for their maintenance, repair or replacement and any Roadway reserves may be used for general Association expenses or reserves. In the event the Roadways are not accepted for maintenance by York County or another governmental entity within ninety (90) days after the date on which the Roadways are submitted by the Declarant for acceptance, the Declarant may transfer and convey the Roadways to the Association at any time thereafter.

ARTICLE IV

THE ASSOCIATION

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

Section 4.2. Voting Rights. There shall be two classes of Lots and Members with respect to voting rights in the Association:

(a) **“Class A Lots”** shall be all Lots in the Project except for Class B Lots, as defined below. The Owner (or group of Owners) of each Class A Lot shall be entitled to one (1) vote in the Association. If a Lot is owned by more than one person or entity as tenants in common or tenants by the entirety, then each such person or entity shall be deemed an Owner and a Member of the Association, but in no event shall more than one (1) vote in the Association be cast with respect to each Class A Lot.

(b) **“Class B Lots”** shall be all Lots in the Project owned by Declarant that have not been converted to Class A Lots. The Declarant shall be entitled to twenty-five (25) votes in the Association for each Class B Lot owned by it.

Section 4.3. Termination of Class B Lots and Membership and Period of Declarant Control. Notwithstanding anything contained herein to the contrary, the Class B Lots and Membership shall cease and be converted to Class A Lots and Membership and the Period of Declarant Control shall terminate upon the earliest to occur of (a) the date on which the Declarant no longer owns any part of the Property; (b) the date the Declarant shall elect, in its sole discretion, that Class B Membership shall cease and be converted to Class A Membership, which election must be made and shall be effective, if at all, upon the execution and delivery of written notice by the Declarant to the Board and the recordation of that notice in the York County Public Registry; or (c) December 31, 2040. The earliest to occur of (a), (b), or (c) shall be referred to as the “**Turnover Date**.” After the Turnover Date and for so long as Declarant owns any part of the Property, the Declarant shall be a Class A Member.

Section 4.4. Directors Appointed by Declarant. As more specifically provided in the Bylaws, the initial Board and the members of all subsequent Boards serving prior to the Turnover Date shall consist of not less than three (3) persons, all of whom shall be appointed by Declarant. These persons may or may not be employees of Declarant, and need not be Members. Until these persons are replaced by elected Board members at the first annual meeting of Members after the Turnover Date, they shall constitute the Board of the Association and exercise all powers and duties granted to the Board in the Bylaws.

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

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

Section 4.7. Liability Limitations. Neither Declarant, nor any Member, nor the Board, nor any officers, directors, agents or employees of any of them shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether or not such other Member was acting on behalf of the Association or otherwise. Neither Declarant, nor the Association, nor their directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same. Neither the Declarant, the Association nor any other person, firm or association making such repairs or maintenance shall be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof. The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board from and against any and all loss, cost, expense, damage, liability, claim, action or cause of action resulting from the performance by the Board of its duties and obligations, excepting for any loss, cost, expense, damage, liability, claim, action or cause of action resulting from the gross negligence or willful misconduct of the person(s) to be otherwise indemnified.

ARTICLE V

OPERATION OF THE PROPERTY AND ASSESSMENTS

Section 5.1. Adoption of Budget; Creation of Lien and Personal Obligation for Assessments. The Board shall, from time to time and at least annually, (i) prepare and adopt a proposed budget for the Project, (ii) determine the amount of expenditures payable by the Owners to meet the proposed budget (“**Common Expenses**”) and (iii) allocate and assess Common Expenses among the Owners as provided in **Section 5.6**. The Common Expenses shall include such amounts as the Board deems necessary for the operation and maintenance of the Property and shall include, without limitation, amounts for purposes set forth in **Section 5.2**, amounts for permitted reserves and such amounts as may be necessary to make up any deficit for outstanding Common Expenses for any previous year.

(a) Prior to the Turnover Date, the proposed budget shall be approved by the Board without any further vote, approval or consent of the Members.

(b) After the Turnover Date, the Board shall provide a summary of the proposed budget to all Members and a notice of a meeting to consider ratification of the budget. Such ratification meeting shall be held not less than ten (10) nor more than sixty (60) days after the budget summary and notice are mailed. There shall be no requirement that a quorum be present at the meeting. The proposed budget is ratified unless, at that meeting, a majority of all of the Members in the Association vote to reject the proposed budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board as provided herein. Should circumstances warrant an amendment or change in the budget during any calendar year, the Board shall formulate a revised budget and submit that budget to the Members for approval as provided herein.

Until such time as a budget is proposed and approved as provided herein, Annual Assessments shall be calculated based on the last budget proposed and approved.

Each Owner of any Lot or portion of the Property other than the Declarant or Builder, by acceptance of a deed therefor, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges of the Association, (2) Supplemental Annual Assessments, (3) Special Assessments, and (4) Special Individual Assessments, such assessments to be established and collected as hereinafter provided. Each annual and special assessment, together with interest, costs and reasonable attorneys’ fees, shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys’ fees, shall also be the personal financial obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title (other than as a lien on the Lot) unless expressly assumed by them. Declarant and Builder shall be exempt from all assessments relating to any portion of the Property owned by Declarant or Builder.

Section 5.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and other

residents of the Property to the fullest extent authority or responsibility is granted to the Association hereunder, including and without limiting the generality of the foregoing, for: the leasing, improvement, maintenance and operation of the Common Area including, without limitation, that specified in **Section 3.3**; provision of services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to maintenance and landscaping; payment of insurance premiums for the insurance policies maintained by the Association in accordance with the Project Documents; payment in connection with the Street Lights (if any) or other utilities serving the Property; payment of management fees to a property manager in accordance with **Section 4.6**; the employment of attorneys, architects, accountants and other professionals to represent or assist the Association deemed necessary or appropriate by the Board; the cost of utilities and fuel used in operating facilities in the Common Area; the maintenance and upkeep of all Roadways in the Property until they are accepted by York County for maintenance, if ever; for reserves as permitted in **Section 3.4**; and to carry out all other purposes and duties of the Association and/or the Board as provided in the Project Documents.

Section 5.3. Payment of Annual Assessments; Due Dates and Maximums. Each Owner of a Lot shall pay to the Association Annual Assessments as hereinafter set forth.

(a) Annual Assessments provided for herein shall commence as to any Lot as of the date of the conveyance by Declarant to an Owner (other than Declarant) of such Lot. The Annual Assessment for the first year in which a Lot is subject thereto shall be prorated based upon the number of days remaining in the applicable billing period from the date of such conveyance. The Annual Assessment amount for each and every year shall be an amount set by the Board of Directors, in accordance with the terms of this **ARTICLE V**. Annual Assessments shall be due and payable in full in advance or in installments as determined by the Board. The Board shall fix the amount of the Annual Assessment as to each Lot for any calendar year and shall send written notice of the amount and due date of each installment of such Annual Assessment to each Owner at least thirty (30) days prior to the due date for payment of the assessment or the first installment thereof; provided, however, the failure of the Association to send, or of an Owner to receive, such notice shall not relieve any Owner of the obligation to pay Annual Assessments. Notwithstanding the foregoing, for calendar years beginning prior to the Turnover Date and in lieu of payment of Annual Assessments, Declarant may (but shall not be required to) fund the Annual Expense Shortfall with direct payments to the Association, loans to the Association or any combination of direct payments and loans that the Declarant, in its sole discretion, deems appropriate. For purposes of this Section, “**Annual Expense Shortfall**” shall mean the amount by which the annual expenses of the Association (excluding any reserves) exceeds the total amount of the Annual Assessments paid by Owners other than the Declarant.

(b) For calendar years beginning before the Turnover Date, the Annual Assessment amount for each year shall be the amount set by the Board of Directors, in its discretion, based on the budget approved as provided in **Section 5.1**. Annual Assessments shall not be subject to any maximum nor shall they require the consent or approval of any Owner or Member other than the Declarant.

(c) For calendar years beginning on or after the Turnover Date, Annual Assessments shall be set as follows:

(i) The Maximum Annual Assessment for the first calendar year beginning on or after the Turnover Date shall be equal to the amount of the actual Annual Assessment set and established by the Board as provided in Subsection (a) above for the preceding year plus fifteen percent (15%). In each subsequent calendar year, the Maximum Annual Assessment may be increased the Board (without any vote of or approval from the Members) by an amount equal to the previous year's Maximum Annual Assessment times the greater of (i) fifteen percent (15%) or (ii) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 = 100) (hereinafter "**CPI**") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. Permitted increases shall be cumulative, and any increase not taken in any year may be taken and applied by the Board in any later year. If the CPI is discontinued, then the index most similar to the CPI published by the United States Government indicating changes in the cost of living shall be used. ("**Maximum Annual Assessment**").

(ii) The Maximum Annual Assessment applicable to each Lot may be increased above the amount set forth in Subparagraph (b) of this **Section 5.3** by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration, plus the written consent of Declarant as long as Declarant owns any part of the Property.

(iii) The Board may fix the Annual Assessment applicable to each Lot at an amount not in excess of the Maximum Annual Assessment established as provided in and modified pursuant to Subparagraphs (b) and (c) of this **Section 5.3**. If the Board shall levy less than the Maximum Annual Assessment for any calendar year and shall determine thereafter during that calendar year that any of the responsibilities, duties or functions of the Association cannot be funded by such lesser assessment, the Board may levy a "**Supplemental Annual Assessment.**" In no event shall the sum of the Annual and Supplemental Annual Assessments for any year exceed the applicable Maximum Annual Assessment for such year unless approved as specified in Subparagraph (c).

(d) With respect to any Lot conveyed by Declarant to any purchaser other than Builder or by Builder to any purchaser, the purchaser of such Lot shall pay to the Association at closing the amount of the Annual Assessment for the installment period in which the closing occurs on such Lot, prorated based upon the number of days remaining in such installment period. With respect to any Lot conveyed by any Owner other than Declarant or Builder, the amount of the Annual Assessment applicable to such Lot for the installment period in which such closing occurs shall be prorated between the buyer and seller thereof as of the date of closing of such conveyance.

Section 5.4. Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy a special assessment ("**Special Assessment**") for the purpose of defraying, in whole or in part, the cost of (i) the construction of any Common Area improvements which are not originally constructed by Declarant or (ii) the reconstruction, repair or replacement of the Common Areas, including any improvements located thereon. Declarant shall not be

obligated to pay any Special Assessments on Lots owned by Declarant except with Declarant's prior written approval. Builder shall not be obligated to pay any Special Assessments on Lots owned by Builder except with Builder's prior written approval. Prior to the Turnover Date, Special Assessments must only be approved by Declarant. After the Turnover Date, Special Assessments must be approved by Members holding at least sixty-seven (67%) of the votes appurtenant to the Lots which are then subject to this Declaration.

Section 5.5. Special Individual Assessments. In addition to the Annual Assessments and Special Assessments authorized above, the Board shall have the power to levy a special assessment applicable to any particular Owner ("**Special Individual Assessment**") (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas, including any improvements located thereon, which is occasioned by any act or omission of such Owner(s), members of such Owner's family or such Owner's agents, guests, employees, tenants or invitees and not the result of ordinary wear and tear, (ii) for payment of costs incurred by the Association to bring any Lot into compliance with the Community Wide Standard provided for in **Section 8.2**; or (iii) for payment of fines, penalties or other charges imposed against any particular Owner related to such Owner's failure to comply with the terms and provisions of this Declaration or the Project Documents as permitted and provided for in **Section 14.3**. Provided, however, neither Declarant nor Builder shall be obligated to pay any Special Individual Assessment except with their respective prior written approval. The due date and payment terms (if any) for any Special Individual Assessment levied shall be fixed by the Board. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Assessment is due.

Section 5.6. Uniform Rate of Assessment. Annual Assessments, Supplemental Annual Assessments and Special Assessments levied by the Association must be fixed at a uniform rate for each Lot.

Section 5.7. Effect of Nonpayment of Assessments: Remedies of the Association. If any assessment, or installment thereof, is not paid within thirty (30) days after its due date, the Board may, at its option and without further notice, declare the entire unpaid assessment, both annual and special, immediately due and payable. Unpaid assessments shall bear interest from and after the due date at the rate of eighteen percent (18%) per annum, not to exceed, however, the maximum rate permitted by law. In addition, the Association may impose a charge for late payment of any assessment up to but not exceeding \$35.00 per month, which late charge may be imposed once in any month during which any assessment, interest, late charge or other previous charge or any portion thereof remains unpaid. The Association shall also be entitled to recover fees and penalties for returned checks as permitted by law and any administrative/collection service fees charged to the Association by its management company or any third party agent providing collection services. Interest, late charges, administrative/collection service fees, returned check fees as well as reasonable attorney fees and costs of such action or foreclosure shall be added to and collectible with and in the same manner as assessments. Assessments levied and late charges, administrative/collection service fees, interest, returned check fees, attorneys' fees and costs allowed herein shall be the personal obligation of each Owner and a continuing lien upon the Owner's Lot.

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

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

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

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

Section 5.10. Capital Contribution Payable by Original Transferee. In addition to assessments and other charges payable as provided in this Declaration, the buyer/transferee to whom the Builder first transfers any Lot shall pay a capital contribution to the Association at the time of closing in an amount which shall be set by the Declarant, in its sole discretion, and may be

changed by the Declarant from time to time. Initially, the amount of such capital contribution to the Association shall be \$100.00 to be paid by the buyer/transferee at the time of closing.

ARTICLE VI

UTILITIES

Section 6.1. Utilities. All utilities and utility connections may or may not be located underground, including electrical, telephone, natural gas and cable television lines.

Section 6.2. Water System. The Property and each Lot is served by a public water system owned and operated by a public utility selected by the Declarant (“**Utility**”). The water system and any and all mains, pipes, equipment and other personal property which are part thereof are, or shall become, the property and responsibility of the Utility. Easements may be granted by the Declarant or the Association to the Utility as may be necessary for the continued operation and maintenance of the water system. The public water system shall be the sole source of water supplies to the Project, and no well may be dug or constructed on any Lot for any purpose.

Section 6.3. Sewage Disposal System. Every Lot shall either be served by a septic system approved by Declarant for the disposal of sewage or be connected to a private or public sewage disposal system, at the option of and as required by Declarant. Declarant makes no representations regarding the future availability of municipal sewer service. All septic systems or other private sewage disposal systems shall be approved by, and be constructed and maintained in accordance with all the regulations and requirements of all governmental authorities and regulatory agencies having jurisdiction thereof. All Owners, by purchasing property subject to this Declaration, acknowledge that any governmental permit or approval allowing for the construction and operation of a septic system or other private sewage disposal system may be limited in duration in accordance with the terms thereof, and neither Declarant nor the Association, nor the officers, directors, members, employees, agents or affiliates of either of them, shall have any liability arising directly or indirectly out of the inability of an Owner to obtain any such permit or approval (including an extension or continuation) following the initial expiration thereof.

Section 6.4. Leased Lighting. Declarant may (but is not obligated to) install or contract with any street lighting provider to install lighting within the Project and may enter into a lease agreement with that provider or any other person or entity for the ongoing operation and maintenance of some or all of that lighting. Leases executed by and between the Declarant and any person or entity to provide and/or operate street lighting may be assigned by the Declarant to the Association at any time, at which point the Association shall be responsible for all rights, duties and obligations therein provided.

ARTICLE VII

INSURANCE AND RECONSTRUCTION

Section 7.1. Association Insurance. The Association shall procure and maintain, or cause to be maintained, insurance in accordance with the following provisions:

(a) **Property and Casualty Insurance.** The Association shall obtain and maintain at all times a policy or policies of property insurance covering all Common Areas and all improvements located thereon, if any, excluding the Roadways, in an amount not less than one hundred percent (100%) of the replacement cost of such improvements at the time such insurance is purchased and at the time of each renewal thereof, exclusive of the costs of land, excavation, paving, foundations and other normally excluded items. The Association shall have no obligation to provide Property and Casualty Insurance on the Roadways. Said insurance may provide for coinsurance by the Association of not greater than twenty (20%) percent and/or may include a commercially reasonable deductible not in excess of Ten Thousand Dollars (\$10,000.00). The Board shall, at least annually, review the insurance coverage required herein and determine the current replacement cost of such improvements and fixtures and personal property and supplies. Such coverage shall provide protection against loss or damage by fire or other hazards covered by a standard extended coverage endorsement, windstorm and water damage, vandalism and malicious damage and all perils covered by a standard “all risk” endorsement and (if reasonably available) shall contain the following provisions:

(i) standard “Agreed Amount” and “Inflation Guard” endorsements;

(ii) construction code endorsements if the Common Area becomes subject to construction code provisions which would require changes to undamaged portions of any building thereby imposing significant costs in the event of partial destruction of such building by an insured peril;

(iii) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Owners and their employees, agents, tenants and invitees;

(iv) a provision that the coverage will not be prejudiced by the act or neglect of one or more Owners when said act or neglect is not within the control of the Association or by any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control; and

(v) coverage that cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board (i) without prior demand in writing that the Board cure the defect, and (ii) the allowance of a reasonable time thereafter within which the defect may be cured by the Association or any Owner.

(b) **Liability Insurance.** The Association shall obtain and maintain a policy of commercial general liability insurance in such limits as the Association may, from time to time, determine, covering each member of the Board, the property manager, if any, and each Owner with respect to liability arising out of the operation, use, ownership, maintenance, or repair of the Common Area. The liability insurance policy shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner, and shall provide that it may not be

canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and to all additional insureds. The Board shall review such limits annually.

(c) **Fidelity Insurance.** The Association shall procure and maintain, or cause to be maintained, a policy or policies of insurance coverage to protect against dishonest acts on the part of officers, directors, volunteers and employees of the Association and any other persons who handle or are responsible for the handling of funds of the Association. The Association's manager shall also acquire and maintain fidelity insurance as required herein and under **Section 4.6.** Any such fidelity insurance policy must name the Association as the named insured and shall be written in an amount as may be determined by the Association, but in no event less than one-half (1/2) the annual budgeted amount of annual assessments.

(d) **Other Insurance.** The Board, or its duly authorized agent, shall have the authority to and shall obtain and maintain in effect such other insurance coverages as the Board shall determine from time to time to be desirable, including, without limitation, directors and officers liability insurance.

(e) **Insurance Unavailable.** In the event the insurance described in Subsections (a) through (c) is not reasonably available, the Association promptly shall cause notice of that fact to be hand-delivered or sent by United States first class mail to all Owners. For purposes of this subsection, insurance will be deemed "not reasonably available" if the cost of that insurance is prohibitive in light of the Association's budget and available resources. In the event the Association determines any such insurance to be "not reasonably available," it shall take reasonable steps to obtain insurance for the benefit of the Association and the Owners which is as closely equivalent to the insurance coverage required in Subsections (a) through (c) that is reasonably available.

Section 7.2. Premiums and Deductibles. Premiums upon insurance policies purchased by the Association, and any amounts paid as a result of a deductible, shall be paid by the Association as a common expense of the Association, provided, however, that deductibles and/or expenses paid or incurred by the Association as a result of the negligent or intentional act of any Owner, his agents, guests, invitees or family members, shall be charged to and paid by the Owner as a Special Individual Assessment. All such premiums shall be paid by the Association at least thirty (30) days prior to the expiration date of such policies.

Section 7.3. General Standards. All insurance policies maintained by the Association under this **ARTICLE VII** shall be written with a company or companies licensed to do business in the State of South Carolina. All insurance policies shall be written for the benefit of the Association and shall be issued in the name of and provide that all proceeds thereof shall be payable to the Association. Notwithstanding any of the foregoing provisions and requirements relating to insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, who shall have exclusive authority to negotiate losses under any policy providing such insurance.

Section 7.4. Insurance Proceeds. The Association shall use the net proceeds of property and casualty insurance to repair and/or replace any damage or destruction of property, real or

personal, covered by such insurance. Any balance from the proceeds of property and casualty insurance paid to the Association remaining after satisfactory completion of repair and replacement shall be retained by the Association. If the insurance proceeds received by the Association are insufficient to reimburse, to repair and/or replace any damage or destruction to person or property, the Board may levy a Special Assessment or Special Individual Assessment, as appropriate under the circumstances, to cover the deficiency.

Section 7.5. Townhome Owner's Property. Each Townhome Owner, by virtue of taking title to a Lot subject to this Declaration, acknowledges that the Association will provide an all-risk casualty group or blanket insurance policy, equal to the full replacement value of the Townhomes, covering the structures constructed thereon, as well as a liability policy covering damage or injury occurring on a Townhouse Lot.

(a) The insurance policy maintained by the Association shall contain a Replacement Cost Endorsement providing for replacement of a Townhome from insurance loss proceeds.

(b) The full amount of any insurance proceeds shall be applied to the rebuilding or repair of any Townhome (subject to the provisions and covenants contained in any mortgage or mortgages creating a lien against any Lot).

(c) The Townhome shall be rebuilt or repaired in the event of damage thereto provided the Townhome is insured under a group or blanket hazard insurance policy which contains a replacement cost endorsement providing for replacement of a Townhome from insurance proceeds.

(d) Premiums for the group or blanket hazard insurance policy shall be a common expense and shall be collectible in the same manner and to the same extent as provided for Annual, Special, and Specific Assessments in **ARTICLE V**. The lien for assessments for insurance premiums shall be subordinate to the lien of any first mortgage in the same manner provided for Annual, Special, and Specific Assessments.

(e) Such policies shall provide that insurance proceeds payable on account of loss of, or damage to, the Property shall be adjusted with the carrier by the Association, and shall be payable solely to the Owner(s)'s mortgagee, if any, and the Association as Insurance Trustee for the Owner(s). Such insurance proceeds shall be applied to repair or restoration of the Property as hereinafter provided. All such insurance policies shall provide that coverage may not be canceled by the carrier without first giving the Association and Owner(s)'s mortgagee, if any, ten (10) days' written notice of cancellation. All such policies shall contain, if obtainable, a waiver of the right of subrogation against any Owner, member of the Owner's family, the Association, its officers, agents, and employees, as well as a waiver of the "pro rata" clause.

(f) In the event of damage or destruction by fire or other casualty to any Property covered by insurance payable to the Association as trustee for the Owners, the Board of Directors shall, with the concurrence of mortgagees, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the

Property to as good condition as formerly existed. All such insurance proceeds shall be deposited in a bank or other FDIC-insured financial institution, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall obtain bids from at least two (2) reputable contractors, and may then negotiate with any such contractor, who may be required to provide a full performance bond for the repair, reconstruction, or rebuilding of such building or buildings.

(g) Also, the Association may levy in any calendar year a Special Assessment for the purpose of defraying the cost of construction, reconstruction, repair, or replacement of a building or buildings containing Townhomes, to the extent that insurance proceeds under a group insurance policy containing a Replacement Cost Endorsement are insufficient to pay all costs of said construction, reconstruction, repair, or replacement to as good condition as existed prior to damage or destruction by fire or other casualty covered by said insurance.

(h) The repaired or reconstructed Townhome shall be substantially identical to the destroyed Townhome, unless a change shall be approved by the Board, and shall be constructed in conformity with plans submitted to and approved by the Board prior to construction.

(i) The Association has no obligation to provide any insurance for any personal property, affects, household goods, or other items located within a Townhome. Each Townhome Lot Owner acknowledges that they have been advised that is it their responsibility to obtain appropriate insurance coverage on his/her personal property and interior finishes, including, but not limited to, appropriate contents coverage and a condominium-unit-owners-type policy, in an amount to be determined by the Townhome Owner.

ARTICLE VIII

MAINTENANCE OF PROPERTY

Section 8.1. Common Area Maintenance by Association. The Association shall be responsible for the operation, maintenance and repair of the Common Area, as provided in **Section 3.3**, including the maintenance of all designated tree save areas, undisturbed natural areas and BMP/water quality areas, if any, as required by law or applicable regulation. In addition, the Association shall be responsible for the maintenance and repair of all Roadways until they are accepted for maintenance by York County or other governmental entity and for the maintenance and repair of any shared, cluster mailbox facilities installed on the Property. Finally, the Association shall maintain concrete sidewalks located within any Roadways. Notwithstanding the foregoing, the Association shall not be responsible for any maintenance or repairs caused by the negligence or intentional misconduct of any Owner, his agents, invitees or family members, which shall be the responsibility of and may be charged to that Owner as a Special Individual Assessment.

Section 8.2. Maintenance by Owners. All maintenance and repair of the interior of each Townhome shall be the sole responsibility of the Owner thereof. Such maintenance obligation shall include, without limitation, the following: prompt removal of litter and waste; keeping improvements, stoops, driveways, decks, patio areas, and exterior lighting in neat and working condition; and in compliance with all governmental health and police requirements and in a compliance with the Community – Wide Standard (“CWS”). The CWS shall be established and may be modified and amended by the Board as provided below.

In addition, the Board may adopt and establish other standards and requirements in a separate CWS document. The CWS may be modified, expanded or amended by the Board from time to time without any approval from the Members. The CWS need not be recorded but shall be made available to any Member on request. Notwithstanding anything contained herein to the contrary, the CWS shall apply to each Lot only upon and after the conveyance of such Lot by Declarant or the Builder to an Owner who acquires the Townhome and Lot for residential use. The CWS shall not apply to Lots owned by the Declarant or the Builder.

If an Owner of any Lot has failed in any of the duties or responsibilities of such Owner as set forth herein, then the Board and Declarant, either jointly or severally, may give such Owner written notice of such failure and such Owner must perform the care and maintenance required or otherwise perform the duties and responsibilities of such Owner as described herein within ten (10) days after receiving such notice (except in the event of an emergency situation, in which case no notice and opportunity shall be required). Notice shall be deemed to have been received upon deposit in an official depository of the United States mail, addressed to the party to whom it is intended to be delivered, and sent by certified mail, return receipt requested. Provided, however, this cure period may be extended for a time not to exceed sixty (60) days so long as the Owner shall have commenced action to cure such nonconformity and shall diligently complete the same. If the Owner fails to cure the nonconformity or violation within the period specified, the Declarant and/or the Association may enter the Lot and cure the nonconformity or violation, and all costs and expenses incurred by the Declarant or the Association may be charged to the Owner and against the Lot as a Special Individual Assessment pursuant to **Section 5.5**. In addition, Owners who fail to comply with any such nonconformity or violation will be subject to administrative fines after notice and an opportunity to be heard as provided in **Section 14.3**.

Section 8.3. Exterior Townhome Maintenance. The Association shall provide exterior maintenance for each Townhome as follows: stain and/or paint the exterior of the Townhome; repair, replace, and maintain roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other such exterior improvements. Such exterior maintenance shall not include glass, screening, or doors, with the exception of staining or painting as stated above. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association and its agents and hired professionals the right to unobstructed access over and upon each Townhome Lot at reasonable times to perform maintenance as provided in this Article. In the event that the Association determines that any maintenance which is the responsibility of the Association hereunder is caused through the willful or negligent act of any Owner, or the occupant, family, guest, invitee, or lessee of an Owner, then the Association may perform such maintenance and all costs thereof not covered by insurance shall be assessed against the Owner as a specific assessment.

Section 8.4. Party Walls in Townhomes. Each wall built as part of the original construction of the Townhomes which serves and separates any two (2) adjoining Townhomes shall constitute a party wall and, to the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions. If a party wall is destroyed or damaged by fire or other casualty, then any Owner who has benefited by the wall may restore it, and the other Owner who is benefited by the wall shall contribute one-half (1/2) of the cost of restoration, without prejudice, however, to the right of any Owner to call for a larger contribution from any other Owner under any rule of law regarding liability for negligent or willful acts or omissions.

ARTICLE IX

ARCHITECTURAL AND LANDSCAPING CONTROL

Section 9.1. General. Notwithstanding anything contained in this Declaration to the contrary, no Improvements (as defined in **Section 9.4** below), including, without limitation, site preparation on any Lot, change in grade, drainage, or slope of any Lot, or erection, alteration or addition to or of any building situated upon the Property, erection of, or changes or additions to fences, hedges, walls and other structures, any landscaping, or any cutting of trees on any Lot, shall be commenced, erected, installed or maintained on any portion of the Property or changed, modified, altered, enlarged or expanded until: (a) the Architectural Control Committee, appointed as hereinafter provided, has received and reviewed the plans and specifications therefor and the location, materials, size and design of such Improvements and has given its **written approval** for commencement of construction, all in accordance with the terms, requirements and procedures set forth in the Architectural and Landscape Guidelines. In addition to any standards established pursuant to this Declaration, Declarant may establish or apply other or different architectural and landscaping control standards, guidelines and restrictions in regard to various Phases or sections of the Property. Except as otherwise expressly provided herein, the provisions of this **ARTICLE IX** shall not apply to the construction of any Improvements commenced, erected or maintained by Declarant on any part of the Property.

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

Section 9.2. Composition of Architectural Control Committee.

(a) **Before “Release Date”.** So long as Declarant owns any Lot or other portion of the Property, the members of the Architectural Control Committee shall be Declarant and/or persons appointed from time to time by Declarant. Control of architectural and landscaping issues and decisions shall remain vested in Declarant until such time as Declarant no longer owns any Lot or other portion of the Property or at such earlier date as Declarant releases its right to appoint the members of the Architectural Control Committee by recordation of a written instrument in the York County Public Registry (hereinafter

“**Release Date**”). The Board shall have the power to affirm, modify or reverse the decision of the Architectural Control Committee as it, in its discretion, deems reasonable, appropriate and warranted, and the decision of the Board shall be final.

(b) **After “Release Date”**. The members of the Architectural Control Committee may be appointed by the Board after the Release Date. After the Release Date and pending such appointment of members by the Board, the Board shall act as the Architectural Control Committee. After the Release Date, the Architectural Control Committee will be composed of at least three (3) and not more than seven (7) individuals, the exact number of members of the Architectural Control Committee to be designated from time to time by the Board. Should any Owner disagree with a decision rendered by the Architectural Control Committee regarding the Owner’s Lot, the Owner may deliver a written Notice of Appeal to the Board challenging the decision rendered. Any Notice of Appeal shall be delivered to the Board within fifteen (15) days after the Architectural Control Committee renders its decision. The Board shall have the power and authority to determine whether or not a hearing will be held, whether further information will be received, or whether the matter will be decided based on the record from the Architectural Control Committee. The Board shall have the power to affirm, modify or reverse the decision of the Architectural Control Committee as it, in its discretion, deems reasonable, appropriate and warranted, and the decision of the Board shall be final.

(c) **Removal and Replacement of Committee Members**. The members of the Architectural Control Committee need not be Owners. In the event of the death or resignation of any member of the Architectural Control Committee, the party or body then having the authority to appoint members to the Architectural Control Committee shall have full authority to designate and appoint a successor. Members of the Architectural Control Committee may be removed and replaced at any time, with or without cause, and without prior notice, by the party or body then having the authority to appoint such members.

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

Section 9.3. Architectural and Landscape Guidelines

(a) The Board may, from time to time, publish and promulgate architectural and design guidelines (the “**Architectural Guidelines**”). The Architectural Guidelines shall be explanatory and illustrative of the general intent of the development of the Property and are intended to be a guide to assist Owners in preparing and submitting applications, plans, specifications, and supporting information for proposed Improvements and as a reference to assist the Architectural Control Committee in reviewing applications, plans,

specifications, and supporting information for proposed Improvements, excluding only landscape Improvements, which are addressed in **Section 9.3(b)** below. The Architectural Guidelines may set out, among other things, the procedures for submission, review and approval of plans and specifications for the construction of non-landscape Improvements to and by the Architectural Control Committee. The Architectural Control Committee is authorized to request the submission of samples of proposed construction materials. **To the extent standards, requirements, methods, and procedures are established in the Architectural Guidelines, they shall be binding upon and must be complied with by all Owners and their contractors and sub-contractors, and shall be assumed to be incorporated into any written approval issued pursuant to the provisions of Section 9.1 unless expressly varied in writing by the Architectural Control Committee. The Architectural Guidelines may be revised and amended at any time by the Board in its sole discretion.**

(b) The Board may, from time to time, publish and promulgate landscape guidelines (the “**Landscape Guidelines**”). The Landscape Guidelines shall be explanatory and illustrative of the general intent of the landscaping of the Property and are intended as a guide to assist Owners in preparing and submitting applications, plans, specifications, and supporting information for proposed Improvements and as a reference to assist the Architectural Control Committee in reviewing applications, plans, specifications, and supporting information for proposed Improvements. The Landscape Guidelines may set out, among other things, the procedures for submission, review and approval of landscape plans and specifications to the Architectural Control Committee. In addition, the Landscape Guidelines may establish approved standards, methods and procedures for landscaping, landscape management and landscape maintenance in the Property, including removal of trees. **To the extent standards, requirements, methods, and procedures are established in the Landscape Guidelines, they shall be binding upon and must be complied with by all Owners and their contractors and sub-contractors, and shall be assumed to be incorporated into any written approval issued pursuant to the provisions of Section 9.1 unless expressly varied in writing by the Architectural Control Committee. The Landscape Guidelines may be revised and amended at any time by the Board in its sole discretion.**

(c) The Board is also hereby authorized to publish and promulgate from time to time, and to revise and amend at any time, in its sole discretion, construction and/or installation rules to be followed by all Owners, contractors and installers performing work or constructing or installing Improvements (including landscape Improvements) on the Property.

(d) Architectural Guidelines, the Landscape Guidelines and the construction and installation rules shall herein collectively be referred to as the “**Architectural and Landscape Guidelines**” or the “**Guidelines**.” The Architectural Control Committee may issue and amend the Architectural and Landscape Guidelines from time to time and may publish and promulgate different Architectural and Landscape Guidelines for different Phases, sections or portions of the Property.

Section 9.4. Definition of “Improvements”. The terms “Improvement” or “Improvements” shall mean and include the Townhome and any and all man-made changes or additions that are made to a Lot or that are attached or affixed to a Lot, including, but not limited to, all structures and buildings (including any exterior devices attached to or separate from buildings, such as heating and air conditioning equipment, solar heating devices, etc.); storage sheds or areas; roofed structures; parking or paved areas; fences; “invisible” pet fencing; pet “runs,” lines and similar tethers or enclosures; walls; irrigation equipment, apparatus and systems; landscaping (including cutting of trees); hedges; mass plantings; poles; driveways; ponds; lakes; changes in grade or slope; site preparation; swimming pools; hot tubs; Jacuzzis; tennis courts; tree houses; basketball goals, skateboard ramps, and other sports or play apparatus; signs, flags and banners and the poles and/or structures from which they are hung or flown; exterior lights and illumination; and changes in any exterior color, design or shape. Antennae and satellite dishes are specifically made subject to regulation and restriction to the fullest extent permitted under the Telecommunications Act of 1996, as amended. The forgoing definition includes both original Improvement(s) and all later changes or additions to Improvement(s). The definition does not, however, include the replacement or repair of Improvement(s) previously approved by the Architectural Control Committee, provided such replacement or repair does not change any exterior color, material, design or appearance from those which were previously approved by the Architectural Control Committee.

Section 9.5. Enforcement/Construction Compliance Deposit.

(a) The architectural control provisions of this Declaration and/or any Supplemental Declarations are to facilitate control of the architectural design, construction, installation and placement of all Improvements and landscaping; to establish quality standards for construction, installation and related activity in the Project; and to help preserve property values within in the Project. All Owners, by purchasing property subject to this Declaration, acknowledge that a violation of any such provisions could result in irreparable harm and damage to other Owners of property in the Project and to Declarant, and to the values of their respective properties in the Project, a monetary measure of which harm and damage would be difficult to establish. Accordingly, the Association shall have the specific right (but not the obligation) to enforce and/or to prevent any violation of the provisions contained in this **ARTICLE IX** and to enforce rulings and decisions of the Architectural Control Committee by a proceeding at law and/or in equity against the person or persons violating or attempting to violate any such provision, ruling or decision and/or through an administrative action as permitted by **Section 14.3**, including the possible imposition of fines or suspension of rights and/or privileges as provided therein. Declarant hereby specifically reserves and grants unto the Architectural Control Committee, the Board and any agent or member thereof, the right of entry and inspection upon any portion of the Property for the purpose of determining whether there exists any Improvement which is not approved or which violates the terms of any approval given by the Architectural Control Committee, the terms of the Architectural and Landscape Guidelines or the Project Documents.

(b) The Board or the Architectural Control Committee may require Owners to deliver a Construction Compliance Deposit to the Association in an amount up to but not exceeding Two Thousand Five Hundred Dollars (\$2,500.00) to secure and insure

compliance by such Owner with the Project Documents, the conditions and stipulations set forth in any approval given, the Architectural and Landscape Guidelines and all applicable laws, ordinances, regulations and other governmental requirements. In the event of a violation or breach of any of the foregoing, the Association may apply all or part of the Construction Compliance Deposit to compensate the Association for any loss or damage sustained, to reimburse the Association for any expense incurred (including, without limitation, expenses for Roadway repair under **Section 11.13**), and to pay any duly levied fine(s) or to pay assessments under **Section 5.5**. The Owner posting the deposit shall be notified of the Association's application of any portion of the deposit as permitted herein. Any unapplied portion of the deposit remaining at the time construction is fully complete and all requirements have been fully satisfied shall be returned to the person or entity from whom it was received.

(c) As to nonconforming or unapproved Improvements, the Association may require any Owner to restore such Owner's Lot and/or Improvements to the condition existing prior to the construction or installation thereof (including, without limitation, the demolition and removal of any unapproved Improvements) if such Improvements were commenced or constructed in violation of this Article. In addition, the Association may, but has no obligation to, cause such restoration, demolition and removal to be performed and to levy the amount of the cost thereof as a Special Individual Assessment against the Lot or portion of the Property upon which such Improvements were commenced or constructed. In the event that it becomes necessary for the Association to file a civil action or to resort to any private dispute resolution process, to determine the propriety of any constructed Improvement, to remove any unapproved Improvement or otherwise to remedy a violation of this Article, the Association shall be entitled to recover any court costs, attorneys' fees and expenses incurred by the Association and/or the Architectural Control Committee in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the Lot or other portion of the Property upon which such Improvement was commenced or constructed.

Section 9.6. Failure of the Architectural Control Committee to Act. WRITTEN APPROVAL AS SPECIFIED IN **SECTION 9.1** SHALL BE REQUIRED IN EVERY CASE. No failure or delay by the Architectural Control Committee to approve or disapprove any plans and specifications and other submittals or to reject them as being inadequate or unacceptable shall be deemed or construed to be an acceptance or approval thereof. No verbal or oral statement or representation by any person shall bind the Board, the Association, or the Architectural Control Committee. Further, the Architectural Control Committee has no right or power to waive or grant any variances relating to any mandatory use restrictions or requirements specified in this Declaration or any Supplemental Declaration. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may take no action with respect to them or may reject them as being inadequate or may approve or disapprove them in part, either conditionally or unconditionally, and reject or approve the balance.

Section 9.7. Variances. Subject to the limitations set forth herein and in the preceding section and upon submission of a written request, the Architectural Control Committee may, from time to time and in its sole and unfettered discretion, permit Owners to construct, erect or install Improvements which are at variance with architectural or landscaping requirements or provisions

that might be otherwise applicable. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community and shall not materially change the scheme of standards, restrictions and requirements herein set forth. **A written request for a variance shall be deemed to be disapproved until the Architectural Control Committee has expressly approved the request in writing.** No member of the Architectural Control Committee shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant or denial of any variance to any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from all other such requests. The action or decision by the Architectural Control Committee on any variance request shall not estop or prevent the Architectural Control Committee from taking different action or rendering a different decision on any variance request subsequently received. The grant of a variance to any Owner shall not constitute a waiver of the Architectural Control Committee's right to strictly enforce the covenants, restrictions and standards against any other Owner. **Nothing herein shall authorize the Committee to grant a variance with respect to the Use Restrictions set forth in ARTICLE XI or any Supplemental Declaration.**

Section 9.8. Limitation of Liability. No member of the Architectural Control Committee shall be liable for any claims, causes of action or damages (except where occasioned by willful misconduct of such Member) arising out of services performed pursuant to this **ARTICLE IX**. Neither the Architectural Control Committee, nor the members thereof, nor the Association, nor Declarant, nor any officers, directors, members, employees, agents or affiliates of any of them, shall be liable for damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of, or the failure to approve or disapprove any plans and specifications. The approval of plans and specifications by the Architectural Control Committee shall not be deemed or construed as a representation or warranty of the Architectural Control Committee, the Board, the Declarant, or any officer, director, member, employee, agent or affiliate of any of them, (i) that Improvements constructed in accordance with such plans and specifications will comply with applicable zoning ordinances, building codes, or other governmental or quasi-governmental laws, ordinances, rules and regulations, or (ii) as to the structural soundness, quality, durability, suitability, fitness or proper functioning of Improvements constructed in accordance with such plans and specifications, and any responsibility or liability therefor is hereby expressly disclaimed. Every person who submits plans and specifications, and every Owner, agrees that he will not bring any action or suit against Declarant, the Association, the Architectural Control Committee, the Board, or the officers, directors, members, employees, agents or affiliates of any of them, to recover any such damages and hereby releases, waives, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Declarant shall be the sole party responsible for the performance of Declarant's obligations under this Declaration, and no other person, firm or entity, including, without limitation, any entity affiliated with Declarant, shall have any obligation or liability for Declarant's obligations under this Declaration.

ARTICLE X

EASEMENTS

Section 10.1. Use of Common Areas. Subject to any limitation or restriction set forth in this Declaration (including rules and regulations made or amended under **Section 11.25**), Declarant declares that the Common Areas are subject to a perpetual nonexclusive easement in favor of Declarant, the Association and their designees, the Owners and all their family members, guests, invitees and tenants, and appropriate governmental and quasi-governmental agencies to use the Common Area for all proper and normal purposes including, but not limited to, ingress, egress and access for the furnishing of services and utilities and for such use of the facilities as the same are reasonably intended in accordance with the terms of this Declaration and any Supplemental Declaration. If ingress or egress to any Lot or other portion of the Property is through any Common Area, any conveyance or encumbrance of such area is subject to this easement. **Use of and activities upon areas designated as undisturbed natural area, tree save area, revegetated natural area, or BMP (wet pond) are limited, restricted and in some cases, prohibited by law, regulations and ordinances with which all Owners must comply.**

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

Section 10.3. Right of the Association and Declarant to Enter Upon the Common Areas. Declarant hereby reserves for the benefit of itself, its successors in interest and assigns, and grants to the Association and all agents, employees or other designees of Declarant or the Association an easement for ingress, egress and access to enter upon or over the Common Areas for the purposes of inspecting any construction, proposed construction, or improvements or fulfilling the rights, duties and responsibilities of ownership, administration, maintenance and repair of Declarant or the Association, as appropriate. Such easement includes an easement in favor of the Association and Declarant to enter upon the Common Areas now or hereafter created to use, repair, maintain and replace the same for the purposes for which they are initially designated or for such purposes as they are hereafter redesignated or as Declarant otherwise determines them to be reasonably suited. Notwithstanding the foregoing, nothing contained herein shall be interpreted as imposing any obligation upon the Association or Declarant to maintain, repair, or construct Improvements which an Owner is required to maintain, construct or repair.

Section 10.4. Easement for Encroachments. Declarant hereby reserves, for the benefit of itself, its successors in interest and assigns, and grants to the Association, the Owners, their successors and assigns, and to the occupants of Lots, easements for encroachments, to the extent necessary, in the event any portion of the Improvements located on any portion of the Property now or hereafter encroaches upon any of the remaining portions of the Property as a result of minor

inaccuracies in survey, construction or reconstruction, or due to settlement or movement. Any easements for encroachment shall include an easements for the maintenance and use of the encroaching Improvements in favor of Declarant, the Association, the Owners and all their designees.

Section 10.5. Easements Appearing on the Plat. Declarant hereby reserves, for the benefit of itself, its successors in interest and assigns, and grants to the Association, its successors and assigns, any and all easements shown on the Plat.

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

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

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

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

easement over the Property, including all Lots, for purposes of satisfying and/or complying with any directions or requests of York County or other governmental entity with respect to any Roadway.

Section 10.9. Right of Access. Every Owner grants a right of access to his Lot to the Independent Manager and/or any other person authorized by the Board or the Independent Manager for the purpose of making inspection of or for the purpose of correcting any condition originating in his Lot and threatening another Lot or the Common Area, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical equipment or other Common Area adjoining his Lot; provided, however, that such request for entry (except in the case of emergencies where no request shall be required) is made in advance and any such entry made is at a time reasonably convenient to the Owner.

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

ARTICLE XI

USE RESTRICTIONS

Section 11.1. Residential Use Only. Each Owner shall use his Lot for residential purposes only, and shall not permit his Lot to be used in any unlawful manner. The maximum number of residents for any Lot shall be calculated by multiplying the number of bedrooms contained within the Lot times two (2). For purposes of this Section, a person shall be presumed to be a “resident” in the Lot if they occupy the Lot overnight for ten (10) consecutive days or for fourteen (14) days during any sixty (60) day period. Residency may otherwise be established by the totality of the circumstances. To the extent permitted by law, any Owner may use his Lot as a home office, provided that such home office use (i) is ancillary to the residential use, (ii) does not generate any additional pedestrian or vehicular traffic to or from his Lot or the Common Area, and (iii) does not cause any disturbance of other Owners, residents or occupants of the Property. In addition, Declarant shall have the right to use any portion of the Property as a sales office, construction office, storage area, model Lot, or similar facility in connection with its development of the Property until the Turnover Date.

Without limiting the foregoing, no Lot or any portion of the Property shall be used for or as a “Residential Institution” except to the extent such use is expressly required to be allowed by law. For purposes of this paragraph, a “Residential Institution” shall mean and refer to a nursing home, child care center, boarding house, dependent living facility, adult care center, adult care home, family child care home, group home, residential day care, house of detention, reform school,

asylum, or institution of a kindred character, or any structure to house, provide a residence for, or be occupied by three or more persons, unrelated by blood, marriage or adoption on a temporary or permanent basis.

Section 11.2. Care and Maintenance. Each Owner shall (i) maintain the Lot, the Townhome and all improvements thereon as required by **Section 8.2**; (ii) permit no unsafe, unsanitary or hazardous conditions in or on his Townhome and Lot; (iii) comply with any and all obligations imposed upon Owners by applicable building and housing codes; and (iv) neither deliberately nor negligently destroy, deface, damage or remove any part of any Townhome or Lot or the Common Areas, or knowingly permit any person to do so. If an Owner fails to comply with the standards or requirements of the Association relative to maintenance after written notice to do so, the Association shall have the right to undertake the necessary maintenance or repairs at the expense of the defaulting Owner, as provided in **Section 8.2**. For purposes of this section, “**Lot**” shall include all easements granted to or reserved for the Declarant or the Association during any period that neither the Declarant nor the Association are using them or exercising their rights in or over them.

Section 11.3. HVAC Equipment. No air conditioning or heating equipment or apparatus shall be installed on the ground in front of or attached to any front wall of any Townhome on a Lot.

Section 11.4. Exterior Lighting. Exterior lighting on Lots shall be subject to the applicable requirements and limitations in the Guidelines. Night lighting of recreational facilities on Lots is not permitted except to the extent expressly allowed by the Architectural Control Committee. All exterior lighting that is approved shall be configured, positioned and directed (i) so that bulbs are not visible from any point outside the boundaries of the Lot where the lighting is installed and (ii) so that they do not cast light beyond the boundaries of the Lot where the lighting is installed.

Section 11.5. Fences and Walls. No fence or wall (including densely planted hedges, rows or similar landscape barriers) shall be erected, placed, or maintained on any Lot except as approved by the Architectural Control Committee. No fence or wall shall be erected, placed or installed in any location or manner that impacts, impedes, or hinders the flow of surface water. Split rail fencing, chain link fencing, shadowbox fencing, picket fencing and privacy fencing are prohibited. All fences and walls shall be maintained in a structurally sound and attractive manner. No fence or wall shall be erected on any Lot until the Architectural Control Committee has given its prior written approval of the color, size, design, materials and location for such fence or wall.

Section 11.6. Mail and Newspaper Boxes; House Numbers. The Declarant, in its sole discretion, may require that mail will be distributed in the community using shared, cluster mailboxes. The design, type, appearance and location of the shared, cluster mailboxes shall be as specified and approved by the Declarant. The design, type, appearance and location of mailboxes and newspaper boxes on Lots adjacent to the Roadway (if approved and allowed by the Declarant) must be approved in writing by the Architectural Control Committee. House numbers may be displayed on the Townhome only as approved by the Architectural Control Committee.

Section 11.7. Temporary Structures; Structure Materials. No residence or building of a temporary nature, including a construction trailer, shall be erected or allowed to remain on any Lot, nor shall any metal, fiberglass, plastic or canvas tent, barn, carport, garage, utility building, storage building or other metal, fiberglass, plastic or canvas structure be erected on any Lot or attached to any building or structure. Provided, however, nothing herein shall prohibit Declarant from erecting or moving temporary buildings onto Lots owned by Declarant to be used for storage, or for construction or sales offices.

Section 11.8. Sight Line Limitations. To the extent that governmental requirements do not impose a stricter standard, no fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above Roadways shall be placed or permitted to remain on any corner Lot within the triangular areas shown on the Plat as “**Sight Triangles.**” The same sight line limitations shall apply on any Lot within the triangular area formed by (i) the lines that run from the point of intersection of (a) the edge of a Roadway’s pavement and (b) the edge of the pavement of the driveway on such Lot for a distance of ten (10) feet along such Roadway pavement away from such driveway pavement, (ii) the line that runs from said point of intersection for a distance of ten (10) feet along such driveway pavement away from such Roadway pavement, and (iii) the straight line that connects the ending points of the lines described in the foregoing clauses (i) and (ii). No tree shall be permitted to remain within such triangular areas is maintained at an appropriate height to prevent any obstruction of sight lines.

Section 11.9. No Subdivision of Lots. No Lot shall be subdivided by sale, lease or otherwise without the prior written consent of Declarant if before the Turnover Date or the Association if after the Turnover Date; provided, however, Declarant reserves the right to combine, subdivide or change the size, boundaries or dimensions of any Lot or Lots owned by Declarant for any reason at any time.

Section 11.10. Restricted Activities in Common Area. No cutting of vegetation, dumping, digging, filling, destruction or other waste shall be committed on the Common Area. There shall be no obstruction of the Common Area nor shall anything be kept or stored in the Common Area, nor shall anything be altered, or constructed or planted in, or removed from the Common Area, without the prior written consent of the Declarant if before the Turnover Date or the Association if after the Turnover Date. Portions of the Common Area are required to remain undisturbed or may otherwise be subject to tree preservation, BMP and buffer requirements which prohibit or restrict activities within those areas with which all Owners must comply. Each Owner shall be liable to the Association and/or Declarant for any damage to any Common Area caused by the negligence or willful misconduct of the Owner or his family, tenants, guests, agents, employees, or invitees. Provided, however, the provisions in this paragraph shall not apply to Declarant in connection with Declarant’s development or construction activities on the Property or to the Association in connection with Association’s activities in discharging its duties and responsibilities.

Section 11.11. Recreational and Other Equipment. No recreational equipment including, but not limited to, basketball backboards and hoops, trampolines, swing sets, tree houses, children’s climbing or play apparatus and other equipment associated with either adult or juvenile leisure or recreation shall be attached to the exterior of any Townhome or otherwise placed or kept on any Lot, except in the Rear Yard and as approved by the Architectural Control

Committee. Children's play toys and other moveable equipment of any type (such as lawn mowers, garden tools, etc.) shall be kept in the Rear Yard except when in use. Notwithstanding any of the foregoing, all recreational equipment shall be screened so as not to be visible from any Roadway, and all screening used must be approved by the Architectural Control Committee.

Section 11.12. Vehicles, Parking and Storage.

(a) No vehicles, trucks, vans, cars, trailers, or equipment of any type may be parked on any Common Area parking area within the Property between 9:00 p.m. and 7:00 a.m. **Parking on Roadways is prohibited at all times.** No vehicle of any size which transports flammable or explosive cargo may be parked or kept within the Property at any time. No vehicle that is not in a condition to be normally operated or that does not have a current registration and inspection sticker may be stored or situated on any Lot for more than thirty (30) days unless stored in an enclosed garage.

(b) Commercial-use vehicles and trucks not involved with construction activity on the Property and having a carrying capacity and/or size designation greater than or equal to three-fourths (3/4) of one ton (except 3/4 ton "dually" pick-up trucks which are expressly exempted from this sentence) shall not be permitted to park anywhere on the Property between 9:00 p.m. and 7:00 a.m. except inside of an enclosed garage. The Board may grant variances or exemptions from this requirement as it, acting in its sole discretion, deems reasonable and appropriate.

(c) The Owner of each Lot will be responsible for providing on such Owner's Lot a sufficient paved parking area for all vehicles normally parked and/or situated on or in regard to such Lot. No vehicle, trailer or equipment of any type shall be parked other than on a paved driveway or parking area approved by the Architectural Control Committee.

(d) No recreational vehicles or related equipment, including any boat, houseboat, trailer, motor home or "camper" vehicle may be maintained, stored or kept on any portion of the Property.

(e) Garage doors shall remain closed at all times except during times of ingress or egress.

(f) No construction office trailers may be placed, erected or allowed to remain on any Lots during construction, except as approved in writing by the Architectural Control Committee. Other construction vehicles (trucks, vans, cars, construction equipment, equipment trailers, etc.) may be parked or placed on the Property (including any Lot or Roadway) only in accordance with such rules as may be established by the Architectural Control Committee.

(g) Unlicensed, non-electric equipment or vehicles shall not be operated on the Property; provided, however, lawnmowers, lawn equipment and lawn and garden tractors are permitted. Owner shall provide the Association, upon request, with documentation verifying the licensing of non-electric vehicles or equipment.

(h) Association shall have the right to tow, disable, or remove any vehicle, trailer, or equipment of any type which is parked, stored, or kept in violation of this **Section 11.12** without notice or prior warning.

(i) The provisions of this **Section 11.12** shall not apply to Declarant or to Builder or their to contractors, subcontractors, vendors, suppliers or other persons present on the Property at the request of or to provide services for the benefit of the Declarant, Builder or the Association.

Section 11.13. Diligent Construction. All construction, landscaping or other work which has been commenced on any Lot must be continued with reasonable diligence to completion and no partially completed Townhome or other Improvement shall be permitted to exist on any Lot except during such reasonable time period as is necessary for completion. All construction must be completed within six (6) months after the date upon which it is commenced, unless a longer time is approved by the Architectural Control Committee. Any damage to the Roadways, curbs or sidewalks or any part of the Common Area or any utility system caused by an Owner or Owner's contractor or his subcontractors shall be repaired by the Declarant and/or the Association, and the Owner and Owner's builder shall be jointly and severally responsible for the payment of all costs and expenses thus incurred. These costs and expenses may also be paid from the Construction Compliance Deposit required pursuant to **Section 9.5(b)**. Any builder of Improvements and his subcontractors on any portion of the Property shall keep such portion of the Property free of construction debris, in accordance with the construction rules established by the Architectural Control Committee or, in the absence of such rules, in accordance with standard construction practices. The Board may levy a Special Individual Assessment against an Owner's property in the Project to pay for the cost of repairing any damage to Roadways, curbs or sidewalks or any part of any Roadway, Common Area, or utility system, to pay for the cost of cleaning public and private areas, including the Roadways in the Project, and to pay for the cost of the removal of garbage, trash or other debris, which are occasioned by the activities of an Owner or Owner's builder or his subcontractors during the construction of Improvements. These costs and expenses may also be paid from the Construction Compliance Deposit required pursuant to **Section 9.5(b)**.

Section 11.14. Restricted Activities in Roadways. No Owner shall alter any portion of a Roadway or place anything within a Roadway. Any changes made shall be corrected and any items placed, constructed or installed in violation of this section shall be removed immediately at the request of the Declarant or the Association. All costs and expenses incurred by the Declarant or the Association as a result of a violation of this section by any Owner shall be charged to that Owner as a Special Individual Assessment.

Section 11.15. Restricted Activities in Easements. No structure, planting or other material shall be placed or permitted to remain in or upon any easement in such a way that might damage or interfere with the installation, operation, maintenance or use of utilities or improvements located thereon; change the direction or flow of drainage channels; retard, obstruct or reverse the flow of water; alter or interfere with established slope ratios; or create erosion within any easement shown on the Plat or provided for in **ARTICLE X**. All costs and expenses incurred by the Declarant or the Association as a result of a violation of this section by any Owner shall be charged to that Owner as a Special Individual Assessment. This reservation of easements shall not

prohibit the construction of driveways, at locations approved by the Architectural Control Committee, over such easements.

Section 11.16. Offensive Activity and Nuisance. No unlawful, noxious or offensive trade or activity shall be conducted upon any Lot, or in the Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to any other Owner, or which may endanger the health or safety of any Owner or other person on the Property. The Board may more specifically regulate, restrict or prohibit such conduct by and through rules and regulations adopted as provided in **Section 11.25.**

Section 11.17. Noise and Disorderly Conduct. No Owner shall engage in any disorderly conduct on the Property, or cause or allow any disturbance, including, but not limited to, shouting, singing, or playing any musical instruments, radio, stereo, or television, in a manner that unreasonably disturbs any other Owner. The Board may more specifically regulate, restrict or prohibit such conduct by and through rules and regulations adopted as provided in **Section 11.25.**

Section 11.18. Garbage. All rubbish, trash, garbage, junk, and other waste shall be kept temporarily in sanitary containers within each Lot and removed at least weekly from the Property. All trash containers or other equipment for storage or disposal of such waste shall be kept in a clean, odor free and sanitary condition and shall be located so as to be concealed from view from any Roadway or Townhome except on day and during periods established by the Board from time to time when containers may be moved to the Roadway for pickup.

Section 11.19. Animals. No animals shall be kept or maintained in any Lot or Townhome except for domesticated dogs or domesticated cats or household pets that are kept and maintained inside the Townhome at all times. No pets may be kept or bred for any commercial purposes. No savage or dangerous pets, as determined by the Board in its sole discretion, may be kept on the Property. All permitted pets shall be controlled so as not to create noise that is audible on the Property and outside the Lot where the permitted pet is kept between the hours of 9:00 p.m. and 7:00 a.m. All pets must be housed inside a Lot, and no pet shall be permitted or found on the Property or on the Lot of its owner unless carried or leashed by a person who is able to and does control the pet. No pet shall be permitted to defecate other than on the Lot of its Owner, or to urinate on the shrubbery, and each Owner shall clean-up immediately after his pet if an accident occurs. All pets shall be registered, licensed and inoculated as required by law. Each Owner shall indemnify and hold the Association harmless from any claim or costs, including reasonable attorneys' fees, resulting from any action of his pet, and shall repair at his expense any damage to the Property caused by his pet. If any Owner violates these rules more than twice in any twelve (12) month period, the Association shall have the right to require the Owner to remove the pet permanently from the Property upon not less than ten (10) days' written notice, which remedy shall be in addition to any and all other rights or remedies available to the Association.

Section 11.20. Signs and Flags. No signs of any kind, including political signs, shall be placed or displayed in the public view on any Lot or on the Common Area except signs expressly permitted in the Architectural Guidelines or otherwise approved in writing by the Architectural Control Committee. Except as provided in South Carolina Code Section 27-1-60, as amended, or other applicable law, no flags, banners, or pennants of any kind, including the flag of the United States of America or the State of South Carolina, shall be placed, flown, or displayed in the public

view on any Lot or on the Common Area except as expressly permitted in the Architectural Guidelines or otherwise approved in writing by the Architectural Control Committee. The provisions of this Section shall not prevent the placement of signs and/or flags identifying the Project at any entrance to the Project, nor shall it prevent Declarant or its agents from placing signs or flags to advertise the Property during the construction and sale period, including signs or flags on the Common Area and on any Lot owned by the Declarant. **Signs or flags placed or displayed in violation of this Section may be removed and destroyed without notice by Declarant and/or the Association.**

Section 11.21. Clotheslines. No outdoor clothesline or clothes drying structure or equipment of any type shall be placed, used or allowed to remain on any Lot.

Section 11.22. Leases. Any lease of a Lot and Townhome thereon shall be for the entire Lot and Townhome and not a portion thereof; shall be in writing; shall identify the lessee and all permitted occupants; shall provide that the lease, the lessee and all occupants of the Lot shall be subject in all respects to the Project Documents; and shall provide that any failure of the lessee, any occupant or anyone present on the Lot with lessee's knowledge or consent, to comply with all of the terms of the Project Documents shall constitute a default under the lease. In the event of a violation of the Project Documents by any lessee or Occupant, the Association may require the Owner to terminate the lease and to immediately evict or remove the lessee and all violators. Fines and sanctions imposed for violations of the Project Documents shall be the joint and several responsibility of the Owner(s) and all lessees. No Lot may be leased for a period shorter than one hundred eighty (180) days, nor shall any lease be executed sooner than one hundred eighty (180) days after the execution of any prior lease. A copy of every lease shall be provided to the Association.

TIME SHARING, INTERVAL OWNERSHIP AND ALL OTHER FORMS OF FRACTIONAL OWNERSHIP ARE HEREBY EXPRESSLY PROHIBITED.

Section 11.23. Governmental Requirements. Nothing herein contained shall be deemed to constitute a waiver of any governmental requirements applicable to any Lot, and all applicable governmental requirements or restrictions relative to the construction of Improvements on and/or use and utilization of any Lot shall be applicable and complied with in regard to the Lots. Each Owner shall comply with all laws, regulations, ordinances and other governmental rules and restrictions in regard to the Lot(s) or other portions of the Property owned by such Owner (including, without limitation, applicable zoning and watershed laws, rules, regulations and ordinances).

Section 11.24. Occupants Bound. All provisions of this Declaration, any Supplemental Declaration and the Bylaws and any and all rules and regulations, use restrictions or Architectural and Landscape Guidelines promulgated pursuant hereto or thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants even though occupants are not specifically mentioned.

Section 11.25. Rules and Regulations. In addition to the restrictions set forth in this **ARTICLE XI**, reasonable rules and regulations governing the use of the Property may be made and amended from time to time by the Board without further approval until the Class B

Membership terminates. After the Turnover Date, rules and regulations made by the Board and all amendments thereto shall not be effective unless and until they are approved by a majority vote of those Members present and voting in person or by proxy at a duly called meeting. Copies of all such rules and regulations and any amendments thereto shall be published prior to their effective date, and shall be furnished by the Association to Members upon request.

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

ARTICLE XII

AMENDMENT OF DECLARATION

Section 12.1. Amendment Generally. Except as is otherwise specifically authorized herein, this Declaration may be amended only by affirmative vote or written agreement signed by Owners of the Lots to which at least sixty-seven (67%) percent of the votes in the Association are allocated. As long as the Declarant or Builder own any portion of the Property, the Declarant or Builder must consent to any amendment. No amendment to the Declaration shall be effective unless and until it is executed on behalf of the Association by any officer designated for that purpose and recorded in the York County Public Registry.

Section 12.2. Amendment of Declaration Without Approval of Owners. So long as it owns any portion of the Property, the Declarant, without the consent or approval of any other Owner, shall have the right to amend this Declaration unilaterally and for any reason.

Section 12.3. Changes to Plans for the Project. Nothing contained herein shall be deemed to incorporate, by reference or otherwise, any plans or proposals promulgated by Declarant with respect to the development of the Project, and Declarant, subject to the covenants, conditions and restrictions contained in this Declaration, reserves the right to change any plans for the Project at any time and from time to time as Declarant may determine is necessary based upon Declarant's continuing research and design program and/or market conditions. Any plans for the Project shall not bind Declarant or its successors and assigns to adhere to such plans in the development of the Property or any part thereof. In addition, Declarant reserves the right to change, from time to time, the uses and densities that exist on any portion(s) of the Property owned by Declarant. **Without limiting the generality of the forgoing, the Declarant shall not be required to build, construct or provide any amenity or amenity area.**

ARTICLE XIII

TERMINATION, DURATION, CONDEMNATION

Section 13.1. Termination. This Declaration may be terminated only by agreement of Owners of Lots to which at least eighty (80%) percent of the votes in the Association are allocated.

Section 13.2. Duration. This Declaration and the controls, covenants, restrictions and standards set forth herein shall run with and bind the Property and any Owner, and shall inure to

the benefit of every Owner of a Lot in the Property and every Owner of any other portion of the Property, including Declarant, and their respective heirs, successors, and assigns, for a term of thirty (30) years beginning on the date this Declaration is recorded in the York County Public Registry. At the end of such thirty (30) year period, all of the easements controls, covenants, conditions and restrictions set forth herein shall automatically be extended for successive period(s) of ten (10) additional years, unless prior to the expiration of any such period, two-thirds (2/3) of the Members execute and record an instrument terminating this Declaration. The foregoing shall not limit the right of Declarant to amend and/or supersede, in whole or in part, the terms and provisions hereof, as such right in favor of Declarant is provided for in this Declaration.

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

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.1. Covenants Running with the Land. Each Owner, by his acceptance of a deed of conveyance for a Lot, accepts title to that Lot subject to all of the restrictions, conditions, covenants, reservations, liens, charges, jurisdiction, rights and powers created in and/or reserved by this Declaration. All rights, benefits and privileges of every character hereby granted, created, reserved, or declared, and all responsibilities and obligations hereby imposed, shall be deemed to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such person in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

Section 14.2. Construction. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating, preserving and maintaining the development and operation of a residential community.

Section 14.3. Enforcement. Declarant, Association and Owner of any Lot, by acceptance of a deed therefor, is deemed to covenant and agree (i) that any controversy, claim or dispute arising out of or relating to the Project, the Association or any provision of the Project Documents, or any breach or violation thereof, may be enforced by any means allowed at law or in equity under South Carolina law, and (ii) that each has standing to seek enforcement. Reasonable attorneys' fees may be recovered by the prevailing party in any action, suit or proceeding.

In addition to enforcement as provided above, the Association may, after notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to Lots or utilities) for reasonable periods for any violation of the Project Documents, including rules and regulations adopted pursuant to **Section 11.25**. A hearing shall be held before the Board or an adjudicatory panel appointed by the Board to determine if any Owner should be fined or if privileges or services should be suspended. The Owner alleged to be in violation shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. The Board shall adopt and publish a schedule of the possible fines or ranges of fines that may be imposed for various violations or categories or classes of violations. If it is decided that a fine should be imposed, a fine in accordance with the schedule adopted and published by the Board may be imposed for each violation found and without further hearing, for each day more than five (5) days after the decision that the same violation occurs. Fines imposed shall be treated and collectible as assessments under **Section 5.7**. If it is decided that privileges or services should be suspended, the suspension may be continued without further hearing until the violation is cured. If a matter is heard and decided by an adjudicatory panel, the Lot Owner may appeal the decision of the adjudicatory panel to the Board by delivering written notice of appeal to the Board within fifteen (15) days after the date of the decision. The Board may affirm, vacate, or modify the prior decision of the adjudicatory panel.

Section 14.4. Waiver. No covenants, restrictions, conditions, obligations, or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur. There shall be no waiver of strict compliance with the provisions of the Project Documents except expressly and in a writing signed by the waiving party.

Section 14.5. Severability. The invalidity of any covenant, restriction, condition, limitation or any other provision of this Declaration, or of any part of the same, shall not impair or affect in any manner, the validity or enforceability of the rest of the Declaration.

Section 14.6. Time Limits. If any of the privileges, covenants, restrictions or rights created by this Declaration shall be unlawful or void for violation of (i) the rule against perpetuities or some analogous statutory provision, (ii) the rule restricting restraints on alienation, or (iii) any other statutory or common law rules imposing time limits, then such provision shall continue only until the expiration of ninety (90) years from the date of recordation of this Declaration.

Section 14.7. No Liability. Neither Declarant, nor any subsidiary of Declarant, nor any employee, agent, successor or assign of Declarant or any such subsidiary, shall be liable for any claim or damage whatsoever arising out of any actions performed pursuant to or in accordance with any authority granted or delegated to them by this Declaration.

Section 14.8. Headings. The heading to each Article and Section of this Declaration is inserted only as a matter of convenience for reference and in no way limits or describes the scope or intent of such Article or Section, or of this Declaration in general.

Section 14.9. Litigation by the Association. No judicial or administrative proceeding shall be initiated by the Association unless the Owners approve such action by a vote of Owners entitled to cast seventy-five percent (75%) of the total votes in the Association, except that no such approval shall be required for actions or proceedings: (a) initiated by Declarant or with the consent of the Declarant during the Period of Declarant Control; (b) initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens; (c) initiated to challenge ad valorem taxation or condemnation proceedings; (d) initiated against any contractor, vendor or supplier of goods or services arising out of a contract with the Association for services or supplies; or (e) to defend claims filed against the Association or to assert counterclaims in actions or proceedings instituted against it.

In the event any claim is made against the Declarant or any litigation is instituted against the Declarant, then the Association shall assess all Members other than the Declarant for all of the cost of the claim or litigation, including, without limitation, attorneys' fees incurred, and funds from regular assessments shall not be used for any such claim or litigation. This section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute litigation proceedings pursuant to this Section and by the Declarant.

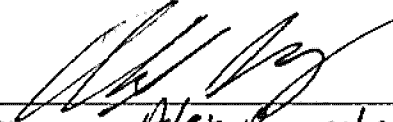
Section 14.10. Right to Enter and to Correct or Cure. Should any Owner fail to satisfy or fulfil any obligation or responsibility under the Project Documents or to cure or correct any violation of the Project Documents, the Declarant and/or the Association shall have the right, power and authority to go upon the Owner's Lot and to take any action necessary to satisfy the Owner's responsibility or obligation or to correct and cure any violation. Any entry upon the Lot by the Declarant and/or the Association or their respective agents, employees or representatives under this section shall not be deemed a trespass. Actions permitted under this section shall include, but are in no way limited to, (a) removing or repairing non-conforming structures or improvements; (b) mowing, pruning, removing, clearing or cutting underbrush, weeds or other vegetation and trash; and (c) grading, landscaping, and constructing and maintaining erosion prevention devices before or after improvements have been constructed. All expenses incurred by the Declarant and/or the Association in taking such action shall be charged to and collected from such Owner as a Special Individual Assessment under **Section 5.5**, including, but not limited to, administrative fees and costs, reasonable attorneys' fees and interest at the maximum rate allowed by law. The Owner shall pay all such costs incurred within thirty (30) days after receipt by said Owner of an invoice from the Declarant or the Association, as the case may be, setting for the cost of such work.

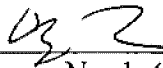
[SIGNATURE AND NOTARY FOLLOW]

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

DECLARANT:

GATEWAY COMMUNITIES NC LLC

By:  (SEAL)
Name: Alex Ransenberg
Title: Vice President


Witness No. 1 / Doug Levin

Brenda V. Blackwell
Witness No. 2 and Notary Public

State of North Carolina

County of Mecklenburg

I, Brenda V. Blackwell, a Notary Public of the County and State aforesaid do hereby certify that **GATEWAY COMMUNITIES NC LLC**, acting by and through Alex Ransenberg, its Vice President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal or stamp, this the 28th day of June, 2019.

Brenda V. Blackwell
Notary Public

My Commission Expires: 11-16-19

[Notary Seal/Stamp]

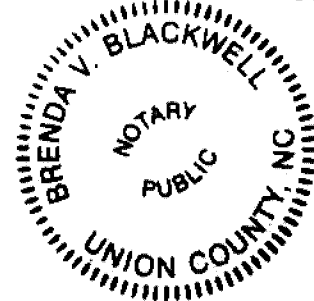


EXHIBIT A

**BYLAWS OF
BARCLAY WOODS HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS**

The words, phrases and terms used in these Bylaws shall have the meanings as set forth in the Declaration of Covenants, Conditions and Restrictions for Barclay Woods executed by **GATEWAY COMMUNITIES NC LLC**, as Declarant therein, and recorded in the Office of the Register of Deeds for York County, South Carolina (as modified, amended or supplemented, from time to time, the “**Declaration**”).

**ARTICLE II
ADMINISTRATION OF PROJECT**

Section 2.1 Power and Authority: Except as otherwise specifically provided in the Project Documents, the Association shall have the following power and authority:

- (a) To own, purchase, manage, maintain, repair and replace the Common Area or any other part of the Property for which the Association is responsible under the Project Documents, as well as any or all of the equipment or property of any type used in connection with the maintenance and preservation thereof.
- (b) To make assessments against the Owners of Lots in the Project for payment of expenses incurred in accordance with the provisions of the Declaration or as otherwise permitted by law.
- (c) To promulgate such rules and regulations with respect to the Project, and to perform such deeds and acts as are deemed necessary to achieve the aforesaid objectives, and to promote the recreation, health, safety and welfare of the Members of the Association, all in accordance with the provisions of the Declaration.
- (d) To do or undertake any other lawful act or activity for which non-profit corporations may be organized under the South Carolina Nonprofit Corporation Act and to exercise all powers which may be granted unto the Association by applicable law.

Section 2.2 Official Action: Unless specifically required in the Declaration or otherwise by law, all actions taken or to be taken by the Association shall be valid when such are approved by the Board as hereinafter set forth or when taken by the officer, person or entity to whom such authority has been duly delegated by the Board as permitted in the Project Documents or as otherwise allowed by law. The Association, its Board, officers and Members shall at all times act in conformity with the South Carolina Nonprofit Corporation Act, and the Project Documents.

Section 2.3 Business by Electronic Means: The Association, the Board and the Members may transact business by electronic means but only to the extent allowed under South Carolina law and to the extent authorized and approved by the Board from time to time.

ARTICLE III OFFICES - FISCAL YEAR

Section 3.1 Principal Office and Registered Office: The principal office of the Association shall be located at such place as the Board may fix from time to time. The registered office of the Association required by law to be maintained in the State of South Carolina may be, but need not be, identical with the principal office.

Section 3.2 Other Offices: The Association may have other offices at such other places within the State of South Carolina as the Board may from time to time determine or as the affairs of the Association may require.

Section 3.3 Fiscal Year: The fiscal year of the Association shall be fixed by the Board. In the absence of a resolution, the fiscal year shall be the calendar year.

ARTICLE IV MEMBERSHIP

Section 4.1 Qualification: Membership in the Association shall be limited to the Owners, and every Owner of a Lot shall automatically be a Member of the Association. “**Membership**” means all of the Members as a group. Membership in the Association shall be appurtenant to and may not be separated from Lot ownership. The date of recordation in the Office of the Register of Deeds of York County of the deed conveying any Lot shall govern the date of ownership that Lot. However, in the case of death, the transfer of ownership shall occur on the date of death (in the case of intestacy), or on the date of probate of the will (in the case of testacy). Until a decedent’s will is probated, the Association will rely upon the presumption that a deceased Owner died intestate.

As provided in the Declaration, there shall be two classes of Membership in the Association. The Declarant, so long as it owns any Class B Lots, shall be the Class B Member, and every other Owner of a Lot shall be a Class A Member.

Section 4.2 Place of Meetings: All meetings of the Membership shall be held at a place within York County, South Carolina, or at such other place, either within or without the State of South Carolina, as designated in the notice of the meeting.

Section 4.3 Annual Meetings: A meeting of the Association shall be held at least once each year. The first Annual Meeting of the Association shall be held within twelve (12) months after the incorporation of the Association, at a date and time specified by the Board. Thereafter, the Annual Meeting of the Association shall be held at a date and time established by the Board. At such meetings, the Board shall be elected in accordance with Article V of these Bylaws, and the Members shall transact such other business as may properly come before the meeting.

Section 4.4 Substitute Annual Meetings: If an Annual Meeting is not held on the day designated by these Bylaws, a Substitute Annual Meeting may be called in accordance with the provisions of Sections 4.5 and 4.6. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 4.5 Special Meetings: After the first Annual Meeting of the Members, Special Meetings of the Members may be called at any time by the President, by Owners having ten percent (10%) of the votes of the Association, by a majority of the Board, or as otherwise provided under South Carolina law. Business to be acted upon at all Special Meetings shall be confined to the subjects stated in the notice of such meeting.

Section 4.6 Notices of Meetings: Written or printed notice stating the time and place of a Membership meeting, including Annual Meetings, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a director or officer, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of any such Membership meeting. Delivery of the notice shall be by hand delivery or by mail to the mailing address of each Lot or to any other mailing address designated in writing by an Owner or by email to any email address provided by an Owner to the Association. Notice given to any one tenant in common, tenant by entirety or other joint Owner of a Lot shall be deemed notice to all Owners of the subject Lot. Notice of any Special Meeting shall specifically state the purpose or purposes for which the meeting is called.

Section 4.7 Quorum: Except as otherwise expressly required in these Bylaws, the presence in person or by proxy of Members entitled to cast ten percent (10%) of the votes which may be cast for election of the Board shall constitute a quorum at all meetings of the Members. If a quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum is present. The Members at any meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum in attendance.

Section 4.8 Voting Rights: The voting rights of Members in the Association shall be as set forth in the Declaration. If fee simple title to a Lot is owned of record by more than one person or entity, all such persons or entities shall be Members of the Association, but the vote with respect to any such jointly owned Lot shall be cast as hereinafter provided.

If the fee simple title to any Lot is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the vote with respect to any such jointly owned Lot shall be cast as the Owners agree and determine. A vote cast by any joint Owner shall be deemed assented to by all other Owners of a Lot unless an objection is made at the meeting. In no event may the vote which may cast with respect to any Lot be divided among joint Owners of the Lot or cast in any manner other than as a whole, it being the intention of this Section 4.8 that there be no "splitting" of votes that may be cast by any Member or Members.

Section 4.9 Proxies: Members may vote either in person or by agents duly authorized by written proxy executed by the subject Member or by his duly authorized attorney-in-fact as provided in S.C. Code §33-31-724. A proxy is not valid after the earlier of the term stated therein

or the expiration of eleven (11) months from the date of its execution. In order to be effective, all proxies must be signed, dated and filed with the Secretary or duly acting Secretary either during or prior to the meeting in question. A Member may not revoke a proxy given pursuant to this Section 4.9 except by (1) attending any meeting and voting in person or (2) signing and delivering to the secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form.

Section 4.10 Majority Vote: The casting of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a different percentage vote is required by these Bylaws, the Declaration, the Articles of Incorporation of the Association, or by law.

Section 4.11 Actions By Written Ballots: Any action which may be taken at a meeting of the Membership may be taken without a meeting by written ballot as provided in S.C. Code §33-31-708.

ARTICLE V BOARD

Section 5.1 General Powers: The business and affairs of the Association shall be managed by the Board; provided, however, the Board may not act on behalf of the Association to amend the Declaration, to terminate the planned community, to elect members of the Board, or to determine the qualifications, powers and duties, or terms of office of Board members. The Board may, however, fill vacancies in its membership for the unexpired portion of any term.

Section 5.2 Number, Term and Qualification: The first Board of Directors shall consist of those persons named in the Articles of Incorporation. Such persons shall hold office until the first annual election of Directors. Before the Turnover Date, the Board shall consist of three (3) Directors, all of whom shall be appointed by the Class B Member and who need not be Members. After the Turnover Date, the Members shall elect three (3) Board members who shall serve for staggered terms of one, two and three years, respectively, and thereafter the successors in each class of directors shall be elected to serve for terms of three (3) years with one (1) Director elected at each Annual Meeting. Each Director shall hold office until the Annual Meeting when his/her term expires and until his/her successor has been elected and qualified. The directors shall be divided into three (3) classes, as nearly equal in number as may be, to serve in the first instance for terms of one, two and three years, respectively, and thereafter the successors in each class of directors shall be elected to serve for terms of three (3) years. Board members may succeed themselves in office.

Section 5.3 Election of Board Members: Subject to the right of the Class B Member to appoint Directors as provided in Section 5.2, the election of all Board members shall be by ballot. Persons receiving the highest number of votes (see Section 4.8) shall be elected. Cumulative voting is not permitted.

Section 5.4 Removal: Any Board member, other than a member appointed by the Class B Member, may be removed from the Board, with or without cause, by a vote of a majority of the votes entitled to be cast by Members present and entitled to vote at any meeting of the

Membership at which a quorum is present; provided, the notice of the meeting must state that the purpose or one of the purposes of the meeting is removal of the Board member. Board members appointed by the Class B Member may only be removed by the Class B Member. If any Board members are so removed, their successors as Board members may be elected by the Class B Member or the Membership at the same meeting to fill the unexpired terms of the Board members so removed as provided in Section 5.3.

Section 5.5 Vacancies: A vacancy occurring in the Board may be filled by the vote of a majority of the remaining Board members, though less than a quorum, or by the sole remaining Board member; provided, however, a vacancy created by an increase in the authorized number of Board members shall be filled only by election at an Annual or substitute Annual Meeting or at a Special Meeting of Members called for that purpose. The Members may elect a Board member at any time to fill any vacancy not filled by the Board members. As provided in Section 5.4, the Class B Member or the Membership shall have the first right to fill any vacancy created by the Class B Member or the Membership's removal of a Board member by electing a replacement at the meeting where the removal occurs. If they fail to do so, the Board may fill the vacancy created by the removal as provided herein.

Section 5.6 Chairman: A member of the Board shall be elected as Chairman of the Board by the Board members at the first meeting of the Board. The Chairman shall preside at all meetings of the Board and perform such other duties as may be directed by the Board. Prior to election of a Chairman and/or in the event that the Chairman is not present at any meeting of the Board, the President shall preside.

Section 5.7 Compensation: No Member of the Board shall receive any compensation from the Association for acting as such. Provided, however, each Board member shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association, and nothing herein shall prohibit the Board from reasonably compensating a Board member for unusual and extraordinary services which are beyond services usually and customarily provided by Board members. Further provided, each Board member, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation based upon service as a Board member.

Section 5.8 No Loans to Board Members or Officers: No loans shall be made by the Association to its Board members or officers. The Board members who vote for or assent to the making of a loan to a Board member or officer of the Association, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof.

Section 5.9 Indemnification and Liability of Board Members: To the extent permitted by the provisions of the South Carolina Nonprofit Corporation Act in effect at the applicable time, each Board member is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as a Board member. Such indemnity shall be subject to approval by the Members only when such approval is required by said Act. In addition, and to the fullest extent permitted by law, no director shall have any personal liability for monetary damages arising out of any action, whether by or in the right of the corporation or otherwise, for breach of any duty as a director.

Section 5.10 Meetings of the Board:

(a) Regular Meetings: Regular Meetings may be held, without notice, at such hour and address as may be fixed from time to time by the Board.

(b) Special Meetings: Special Meetings shall be held when called by the Chairman of the Board, the President of the Association, or by a majority of the Board members upon written notice sent to each Board member by any usual means of communication not less than five (5) days before the meeting.

(c) Waiver of Notice: The notice provided for herein may be waived by written instrument signed by those Board members who do not receive said notice. Attendance by a Board member at a meeting shall constitute a waiver of notice of such meeting unless the subject Board member at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

(d) Meeting Place: The Board may hold Regular or Special Meetings either inside or outside of the State of South Carolina.

(e) Quorum: A majority of the Board members then holding office shall constitute a quorum for the transaction of business and every act or decision done or made by a majority of the Board members present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Board.

Section 5.11 Action Without Meeting: The Board members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent and approval of all the Board members as permitted by S.C. Code §33-31-821. Any action so approved shall have the same effect as though taken at a meeting of the Board. Said written approval shall be filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5.12 Presumption of Assent: A Board member who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Board member who voted in favor of such action.

Section 5.13 Powers of the Board: The Board shall have the authority to exercise all powers of the Association necessary for the administration of the affairs of the Project except such powers and duties as by law or by the Project Documents may not be delegated by the Members to the Board. The powers that may be exercised by the Board shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the Common Area, to the extent such operation, care, upkeep, and maintenance is not the obligation of the Owners;

(b) Determination of the funds required for operation, administration, maintenance and other affairs of the Project and collection of the assessments from the Owners, as provided in the Project Documents;

(c) Employment and dismissal of personnel (including without limitation the Independent Manager) necessary for the efficient operation, maintenance, repair, and replacement of the Common Area;

(d) Adoption of rules and regulations covering the details of the operation, maintenance, repair, replacement, use and modification of the Common Area;

(e) Opening of bank accounts on behalf of the Association and designating the signatories required therefor;

(f) Obtaining insurance as required or permitted under the terms of the applicable provisions of the Declaration;

(g) Keeping detailed, accurate records of the receipts and expenditures of the Association; obtaining annual audits and/or reviews of financial records of the Association from the Association's public accountant; furnishing the annual reports; and furnishing current budgets. All books and records shall be kept in accordance with good and accepted accounting practices;

(h) Keeping a complete record of the minutes of all meetings of the Board and Membership in which minute book shall be inserted actions taken by the Board and/or Members by written ballot or by consent without meeting;

(i) Supervising all officers, agents and employees of the Association and insuring that their duties are properly performed;

(j) Enforcing, on behalf of the Association, the obligations and assessments provided in the Declaration, including, but not limited to, the institution of civil actions to enforce payment of the assessments as provided in the Declaration, the institution of actions to foreclose liens for such assessments in accordance with the terms of the Declaration, the imposition of charges for late payment of assessments, and after notice and an opportunity to be heard, levying reasonable fines for violations of the Declaration, Bylaws and rules and regulations of the Association;

(k) Making repairs, additions, and improvements to or alterations or restoration of the Property in accordance with the other provisions of these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of a condemnation or eminent domain proceeding;

(l) Enforcing by any legal means or proceeding the provisions of the Articles of Incorporation of the Association, these Bylaws, the Declaration or the rules and regulations hereinafter promulgated governing the Property, including use of the Common Area;

(m) Paying all taxes and assessments which are or may become liens against any part of the Common Area, and to assess the same against the Owners in the manner herein provided;

(n) Hiring attorneys and other professionals;

(o) Maintaining and repairing any Lot or Improvement, if such maintenance or repair is required by the Declaration or is necessary in the discretion of the Board to protect the Common Area or any other Lot or Improvement or if the Owner of such Lot has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered or mailed by the Board to said Owner;

(p) Entering any Improvement when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours and with notice to the Owner when practicable. Any damage caused thereby shall be repaired by the Board and such expenses shall be treated as an expense of the Association;

(q) Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by either the President, any Vice President, the Treasurer or the Assistant Treasurer of the Association;

(r) Furnishing certificates setting forth the amounts of unpaid assessments that have been levied upon a Lot to the Owner or Mortgagee of such Lot, or a proposed purchaser or Mortgagee of such Lot, and imposing and collecting reasonable charges therefor; and

(s) Exercising any other powers allowed or provided in the Declaration, the Articles of Incorporation, these Bylaws or otherwise by law, including, without limitation, Chapter 33 of the South Carolina Code.

Section 5.14 Independent Manager: The Board may employ or enter into a management contract with any individual, firm or entity as it deems appropriate and in the best interest of the Association. The Board may delegate to such person, firm or entity (referred to in these Bylaws as “**Independent Manager**”) such duties and responsibilities in the management of the Property as the Board deems appropriate. Provided, the Board may not delegate to the Independent Manager responsibilities and duties of the Association in violation of the Nonprofit Corporation Act of South Carolina. The Independent Manager’s contract shall be for a term not to exceed three (3) years, and shall be terminable as provided in the Declaration. The Board shall have authority to fix the reasonable compensation for the Independent Manager. The Independent Manager shall at all times be answerable to the Board and subject to its direction. Should the Association enter into a management agreement for the Property as permitted herein, the Independent Manager shall obtain and at all times maintain fidelity insurance if and as provided in the Declaration.

ARTICLE VI OFFICERS

Section 6.1 Enumeration of Officers: The officers of the Association shall consist of a President, a Secretary, a Treasurer and one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board may from time to time appoint. Except for the President, no officer need be a member of the Board, but all officers may be Board members.

Section 6.2 Powers and Duties: The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a management agent.

Section 6.3 Appointment and Term: The officers of the Association shall be appointed annually by the Board at the first meeting of the Board following the Annual or Substitute Annual Meeting of the Members and shall serve one year terms of office. Each officer shall hold office until his death, resignation, removal or until his successor is appointed.

Section 6.4 Removal: Any officer elected or appointed by the Board may be removed by the Board whenever the Board in its sole discretion determines that the best interest of the Association will be served thereby.

Section 6.5 Resignation: Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the day of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.6 Vacancy: A vacancy in any office may be filled by the Board's appointment of a successor to such office. Such appointment may take place at any meeting of the Board. The officer appointed to such vacancy shall serve for the remaining term of the officer he is appointed to replace.

Section 6.7 Multiple Offices: The person holding the office of President shall not, at the same time, hold the office of Secretary or Treasurer. Any other offices may simultaneously be held by one person. Any officer may also be a member of the Board.

Section 6.8 President: The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members. In the absence of the Chairman, he shall also preside at all meetings of the Board. He shall see that the orders and resolutions of the Board are carried out; he shall sign all written agreements or instruments on behalf of the Association and co-sign all promissory notes of the Association, if any, with the Treasurer; and he shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the South Carolina Nonprofit Corporation Act in connection with the supervision, control and management of the Association in accordance with the Project Documents.

Section 6.9 Vice Presidents: In the absence or disability of the President, the Vice Presidents, in order of their appointment or as directed by the Board, shall perform in the duties and exercise the powers of the President. In addition, they shall perform such other duties and have such other powers as the Board shall prescribe.

Section 6.10 Secretary: The Secretary shall keep the minutes of all meetings of the Members and of the Board; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all duties incident to the Office of Secretary of a corporation organized under the South Carolina Nonprofit Corporation Act.

Section 6.11 Treasurer: The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He shall co-sign promissory notes of the Association; he shall prepare a proposed annual budget (to be approved by the Board) and the other reports to be furnished to the Members as required in the Declaration; and he shall perform all duties incident to the office of Treasurer of a corporation organized under the South Carolina Nonprofit Corporation Act.

Section 6.12 Assistant Secretaries and Assistant Treasurers: The Assistant Secretaries and Assistant Treasurers shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board.

Section 6.13 Compensation: Officers shall not be compensated for the usual and ordinary services rendered to the Association incident to the offices they hold. The Board may, however, reasonably compensate any officer or officers who render unusual and extraordinary services to the Association beyond those usually and customarily expected of persons serving as officers. Each officer, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation based upon services usually or customarily rendered by persons occupying the office he holds.

Section 6.14 Agreements, Contracts, Deeds, Leases, Checks, etc.: All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by Board resolution.

Section 6.15 Indemnification: To the extent permitted by the provisions of the South Carolina Nonprofit Corporation Act in effect at the applicable time, each officer is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as an officer. Such indemnity shall be subject to approval by the Members only when such approval is required by said Act. In addition, and to the fullest extent permitted by law, no officer shall have any personal liability for monetary damages arising out of any action, whether by or in the right of the corporation or otherwise, for breach of any duty as an officer.

Section 6.16 Amendment Authority: Amendments to the Declaration may be prepared, executed, certified and recorded by the President, the Secretary, the Treasurer or any Vice President of the Association.

**ARTICLE VII
AMENDMENTS**

Section 7.1 Amendments by Board on or before the Turnover Date. Subject to the last sentence of Section 8.3, these Bylaws may be amended by the Board as provided in S.C. Code §33-31-1020 on or before the Turnover Date and the Members shall not be entitled to any vote thereon.

Section 7.2 Amendments by Members after the Turnover Date. After the Turnover Date, these Bylaws may be amended with the approval of the Board and the Members as provided in S.C. Code §33-31-1021.

Section 7.3 Binding Effect of Amendment. All persons or entities who own or hereafter acquire any interest in the Property shall be bound by any amendment to these Bylaws which is duly adopted as provided herein. No amendment to these Bylaws shall be adopted or passed which shall impair or prejudice the rights of Declarant provided for in the Project Documents, without the written consent of Declarant.

**ARTICLE VIII
MISCELLANEOUS**

Section 8.1 Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles, and these Bylaws, the provisions of South Carolina law, the Articles, and these Bylaws (in that order) shall prevail. In the event of a conflict between the Declaration and these Bylaws or the Articles, the Declaration shall control, provided it is not inconsistent with South Carolina law.

Section 8.2 Severability: Invalidation of any covenant, condition, restriction or other provision of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

Section 8.3 Parliamentary Rules: Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles, or these Bylaws.

Section 8.4 Successors Bound: The rights, privileges, duties and responsibilities set forth in the Project Documents, as amended from time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any interest in the Property.

Section 8.5 Gender, Singular, Plural: Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

Section 8.6 Nonprofit Corporation: No part of the Association's assets or net income shall inure to the benefit of any of the Members, the officers of the Association, or the members of the Board, or to any other private individual either during its existence or upon dissolution except as reasonable compensation paid or distributions made in carrying out its declared nonprofit

purposes as set forth in the Declaration, the Articles of Incorporation of the Association and these Bylaws.

Section 8.7 Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the registered office of such Member;

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section; and

(c) if to an Owner, at the mailing address of such Owner as designated by such Owner in writing to the Association or, if no address has been designated, at the address of such Owner's Lot.

Section 8.8 Books and Records: The books and records of the Association shall be available for inspection as provided in Article 16 of Chapter 31 in Title 33 of the South Carolina General Statutes.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, these Bylaws have been adopted by the undersigned being all of the initial directors as provided in S.C. Code §33-31-206 this the ____ day of _____, 2019.

DIRECTORS:

Alex Ransenberg

Douglas Levin

David Ransenberg