

**THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION**  
**PURUSUANT TO THE SOUTH CAROLINA UNIFORM**  
**ARBITRATION ACT**  
**(S.C. CODE ANN. §15-48-10 ET.SEQ.), AS AMENDED**

*This Declaration Imposes Assessments Constituting a Lien on Each Lot in the Subdivision. Please Contact the Association to Determine the Status of a Particular Lot with Regard to Payment of Assessments*

**DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS**

**THE COURTYARDS AT SALEM PLACE**

## TABLE OF CONTENTS

<b>1.</b>	<b>DEFINITIONS</b> .....	5
1.1.	DEFINITIONS.....	5
1.1.1.	"Added Property".....	5
1.1.2.	"Affiliate".....	5
1.1.3.	"Area of Common Responsibility".....	5
1.1.4.	"Assessment".....	6
1.1.5.	"Association".....	6
1.1.6.	"Board of Directors" or "Board".....	6
1.1.7.	"By-Laws".....	6
1.1.8.	"Common Areas".....	6
1.1.9.	"Common Expenses".....	6
1.1.10.	"Controlling Interest".....	6
1.1.11.	"Declarant".....	6
1.1.12.	"Declaration".....	6
1.1.13.	"Development".....	7
1.1.14.	.....	7
1.1.15.	.....	7
1.1.16.	"Lot".....	7
1.1.17.	.....	7
1.1.18.	.....	<b>Error! Bookmark not defined.</b>
1.1.19.	.....	7
1.1.20.	"Occupant".....	7
1.1.21.	"Owner".....	7
1.1.22.	"Permitted Density".....	7
1.1.23.	"Person".....	7
1.1.25.	"Residential Unit".....	7
1.1.26.	"Restrictive Covenants".....	8
1.1.27.	"Rules and Regulations".....	8
1.1.28.	"Subordinate Declaration".....	8
1.1.29.	"Unit".....	8
<b>2.</b>	<b>RIGHTS NOT SEVERABLE; DECLARANT OBLIGATIONS</b> .....	8
2.1.	<i>NON-SEVERABILITY OF RIGHTS</i> .....	8
2.2.	<i>RESPONSIBILITIES OF DECLARANT</i> .....	8
<b>3.</b>	<b>RESTRICTIVE COVENANTS</b> .....	8
3.1.	Residential Use of Properties.....	8
3.2.	Number of Units.....	9
3.3.	Development Guidelines.....	9
3.4.	Review of Architectural Plans and Development Activities.....	9
3.5.	Residence Size.....	9
3.6.	Compliance with Ordinances and Restrictions.....	9
3.7.	Setbacks.....	10
3.8.	Buffers, Lagoons, Drainage Areas, etc.....	10
3.9.	Exterior Maintenance.....	10
3.10.	Height.....	10
3.11.	Subdivision of Lots.....	11
3.12.	Walls and Fences.....	11
3.13.	Accessory and Temporary Structures.....	11
3.14.	Parking and Driveways.....	11
3.15.	Garages.....	12
3.16.	Changing Elevations.....	12
3.17.	View Obstructions at Street Intersections.....	12
3.18.	Delivery Receptacles and Lot Identification Markers.....	12
3.19.	Completion of Construction.....	12

3.20.	Animals and Pets.....	12
3.21.	Offensive Activities.....	13
3.22.	Signs.....	13
3.23.	Screening and Clotheslines.....	13
3.24.	Antennas and Satellite Dishes.....	13
3.25.	Garbage and Refuse Disposal.....	13
3.26.	Water, Sanitary and Storm Water Systems.....	14
3.27.	Model Homes.....	14
3.28.	Easements.....	14
3.29.	Enforcement of Restrictive Covenants.....	14
3.30.	Other Rules and Regulations.....	14
<b>4.</b>	<b>EASEMENTS AND PROPERTY RIGHTS.....</b>	<b>14</b>
4.1.	<i>EASEMENTS FOR DECLARANT.....</i>	<i>14</i>
4.2.	<i>EASEMENTS FOR ASSOCIATION.....</i>	<i>14</i>
4.3.	<i>EASEMENTS FOR UTILITIES AND SERVICES.....</i>	<i>15</i>
4.4.	<i>EASEMENT FOR PUBLIC SERVICES.....</i>	<i>15</i>
4.5.	<i>EASEMENT OF MAINTENANCE OF YARDS.....</i>	<i>15</i>
4.6.	<i>COMMON AREAS.....</i>	<i>16</i>
4.6.1.	General Rights of Owners.....	16
4.6.2.	Delegation of Use.....	16
4.6.3.	Common Area Conveyance and Creating and Adding Common Areas.....	16
4.6.4.	Completion of Conveyance of Common Areas; Association Responsibility.....	17
4.6.5.	Conveyance or Mortgaging by Association.....	17
4.6.6.	Changes in Common Area Property Lines.....	17
4.6.7.	This section Intentionally Left Blank.....	17
4.7.	SUBJECTING ADDED PROPERTY TO DECLARATION.....	17
<b>5.</b>	<b>THE ASSOCIATION.....</b>	<b>17</b>
5.1	<i>MEMBERSHIP AND VOTING RIGHTS.....</i>	<i>17</i>
5.2.	<i>GOVERNANCE.....</i>	<i>18</i>
5.3.	<i>BOARD OF DIRECTORS.....</i>	<i>18</i>
5.3.1.	Prior to Loss of Controlling Interest by Declarant.....	18
5.3.2.	Subsequent to Loss of Controlling Interest by Declarant.....	18
5.4.	<i>RULES AND REGULATIONS.....</i>	<i>19</i>
5.5.	<i>ARCHITECTURAL REVIEW.....</i>	<i>19</i>
5.5.1.	Purpose, Powers and Duties of the Architectural Review Board (ARB).....	19
5.5.2.	Objectives.....	19
5.5.3.	Architectural Review Board.....	20
5.5.4.	Review of Approval of Plans for Additions, Alterations or Changes to Structures and Landscaping.....	21
5.5.5.	Approval not a Guarantee of Representation of Proper Design or Good Workmanship....	21
5.6.	<i>MANAGEMENT.....</i>	<i>22</i>
5.7.	<i>BOARD AND OFFICERS ACT FOR ASSOCIATION.....</i>	<i>22</i>
5.8.	<i>INDEMNIFICATION OF THE BOARD AND OFFICERS.....</i>	<i>22</i>
5.9.	<i>INSURANCE.....</i>	<i>22</i>
5.9.2.	Other Insurance Criteria.....	23
5.9.3.	Appointment of Trustee for Proceeds.....	23
5.9.4.	Reconstruction of the Property.....	23
<b>6.</b>	<b>ASSESSMENTS AND CHARGES.....</b>	<b>24</b>
6.1.	<i>REGULAR ASSESSMENTS AND BUDGET.....</i>	<i>24</i>
6.1.1.	Fiscal Year and Annual Budget.....	24
6.1.2.	Determining the Budget and Total Assessments.....	24
6.1.3.	Allocation of Assessments.....	24
6.1.4.	Calculating the Assessments; Assessment Share.....	25
6.1.5.	Assessments for Units Not Existing at Beginning of Fiscal Year.....	25
6.1.6.	Assessments for Units Owned by Declarant.....	25

6.1.7.	Notice and Payment of Assessments.....	26
6.1.7.1.	Notice.....	26
6.1.7.2.	Payment.....	26
6.1.8.	Cap on Regular Assessments.....	26
6.2.	<b>SPECIAL ASSESSMENTS</b> .....	26
6.3.	<i>EFFECT OF NON-PAYMENT OF ASSESSMENTS</i> .....	27
6.4.	<i>CREATION OF LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS</i> .....	27
6.5.	<i>SUBORDINATION OF THE LIEN; MORTGAGEES</i> .....	27
6.6.	<i>EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION</i> .....	28
6.7.	<i>STATEMENT OF ACCOUNT</i> .....	28
6.8.	<i>MECHANIC'S LIENS</i> .....	28
7.	<b>PARTY WALLS</b> .....	28
7.1.	<i>GENERAL RULES OF LAWS TO APPLY</i> .....	28
7.2.	<i>SHARING OF REPAIR AND MAINTENANCE</i> .....	29
7.3.	<i>DESTRUCTION BY FIRE OR OTHER CASUALTY</i> .....	29
7.4.	<i>WEATHER PROOFING</i> .....	29
7.5.	<i>RIGHT TO CONTRIBUTION RUNS WITH LAND</i> .....	29
8.	<b>ADDITIONAL EASEMENT</b> .....	29
8.1.	<i>PLACEMENT OF HOME ON LOT</i> .....	29
8.2.	<i>WALL EASEMENT</i> .....	29
8.3.	<i>ENCROACHMENTS</i> .....	30
8.4.	<i>EASEMENTS FOR UTILITIES AND DRAINAGE</i> .....	30
9.	<b>CONDEMNATION</b> .....	30
9.1.	<i>CONDEMNATION OF COMMON AREAS</i> .....	30
10.	<b>GENERAL PROVISIONS</b> .....	31
10.1.	<i>AMENDMENTS BY ASSOCIATION</i> .....	31
10.2.	<i>CORRECTIVE AMENDMENTS BY DECLARANT</i> .....	31
10.3.	<i>BINDING ARBITRATION</i> .....	31
10.4.	<i>AMENDMENT OF BYLAWS</i> .....	31
10.5.	<i>ENFORCEMENT</i> .....	32
10.6.	<i>ATTORNEYS' FEES AND COSTS</i> .....	32
10.7.	<i>DURATION</i> .....	32
10.8.	<i>PERPETUITIES</i> .....	33
10.9.	<i>INTERPRETATION</i> .....	33
10.10.	<i>GENDER AND GRAMMAR</i> .....	33
10.11.	<i>SEVERABILITY</i> .....	33
10.12.	<i>RIGHTS OF THIRD PARTIES</i> .....	33
10.13.	<i>NOTICE OF SALE, LEASE OR MORTGAGE</i> .....	33
10.14.	<i>NOTICES</i> .....	34
10.15.	<i>SUCCESSORS AND ASSIGNS</i> .....	34
EXHIBIT A	LEGAL DESCRIPTION OF PROPERTY	
EXHIBIT B	LEGAL DESCRIPTION OF PROPERTY FOR FUTURE PHASES	
EXHIBIT C	PLAT OF PROPERTY	
EXHIBIT D	CERTIFICATE OF INCORPORATION	
EXHIBIT E	ARTICLES OF ORGANIZATION THE COURTYARDS AT SALEM PLACE, LLC	
EXHIBIT F	ARTICLES OF INCORPORATION THE COURTYARDS AT SALEM PLACE HOMEOWNERS' ASSOCIATION, INC.	
EXHIBIT G	BY-LAWS of THE COURTYARDS AT SALEM PLACE HOMEOWNERS ASSOCIATION, INC.	
EXHIBIT H	ARCHITECTURAL AND LANDSCAPING GUIDELINES FOR THE COURTYARDS AT SALEM PLACE.	

**DECLARATION OF COVENANTS, CONDITIONS  
AND  
RESTRICTIONS FOR THE COURTYARDS AT SALEM PLACE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE COURTYARDS AT SALEM PLACE is made this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by The Courtyards at Salem Place, L.L.C., a South Carolina limited liability company, (hereinafter referred to as "Declarant").

WITNESSETH THAT:

WHEREAS, Declarant is the owner of the Property, as hereinafter defined, located in that community known as The Courtyards at Salem Place, in Richland County, South Carolina and Declarant desires to subject the Property to the provisions of this Declaration in order to provide for the administration and maintenance of the Areas of Common Responsibility, as defined below, and to set forth restriction standards and procedures for the governance of the Property.

NOW THEREFORE, this Declaration and the covenants, restrictions and easements set forth herein shall be covenants to run with the land and all the Property is subject and subordinate to the provisions of this Declaration. The Declaration shall inure to the benefit of and shall be binding upon each Owner and his, her or its respective heirs, legal representatives, successors, lessees, grantees, assigns and mortgagees.

BY THE RECORDING OF A DEED OR THE ACCEPTANCE OF TITLE TO A LOT, UNIT OR ANY INTEREST THEREIN, THE PERSON OR ENTITY TO WHOM SUCH LOT, UNIT OR INTEREST IS CONVEYED, AND THEIR HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS, LESSEES, GRANTEES, ASSIGNS AND MORTGAGEES SHALL BE DEEMED TO HAVE AGREED TO BE BOUND BY THIS DECLARATION AND THE BY-LAWS OF THE ASSOCIATION.

**1. DEFINITIONS**

1.1. DEFINITIONS

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

1.1.1. "Added Property" means real property, whether or not owned by the Declarant, which is made subject to this Declaration pursuant to Section 4.6. Declarant reserves the right to Phase development such that each phase, when added to the Association would be a part of the development and that the Common Elements of each phase would be turned over to the Association at such time as the Phase development is completed.

1.1.2. "Affiliate" means any entity that is owned by the Declarant, which owns the Declarant, or in which the Declarant or Persons holding an interest in Declarant own at least fifty per cent (50%) of the interests.

1.1.3. "Area of Common Responsibility" means any area for which the Association

has or assumes the responsibility for maintenance, repair and management, including, without limitation, (i) the Common Areas and (ii) portions of the Property that are not owned by the Association, but which contain facilities or improvements that benefit more the Units. Such areas may include, without limitation, (a) street shoulders and curbs, intersections and entrances, private road rights-of-way or easements and road surfaces, walkways and bicycle paths, signage, landscaping and irrigation, street lighting, signage lighting and landscape lighting, or unpaved portions of public or private road rights-of-way in which the Association retains or obtains the right to maintain, improve or landscape certain areas (b) lakes, lagoons and drainage ways specifically shown and designated on any plat of the Property, or any portion thereof, (c) parks and recreational facilities, and (d) any common utility lines or facilities that have not been dedicated to and accepted for maintenance by a private or public utility. Any plat or document designating an Area of Common Responsibility shall be recorded and shall be approved by the Declarant or the Association.

1.1.4. "Assessment" means the charges from time to time assessed against a Unit by the Association in the manner herein provided, and includes regular and/or special assessments, as indicated by the applicable provision.

1.1.5. "Association" means The Courtyards at Salem Place Homeowners Association, Inc., a South Carolina not-for-profit corporation.

1.1.6. "Board of Directors" or "Board" means the Board of Directors of the Association.

1.1.7. "By-Laws" means the By-Laws adopted by the Association that govern the administration and operation of the Association, as may be amended from time to time. A copy of the By-Laws is attached as Exhibit C.

1.1.8. "Common Areas" means all areas shown and designated as a Common Area, or similar wording clearly indicating such intent, on any recorded plat of the Property, or any portion thereof, which plat has been approved in writing by Declarant or the Association. THE DESIGNATION OF ANY OF THE PROPERTY OR IMPROVEMENTS THEREON AS COMMON AREAS SHALL NOT MEAN THAT THE PUBLIC AT LARGE ACQUIRES ANY EASEMENT OF USE OR ENJOYMENT THEREIN.

1.1.9. "Common Expenses" means all liabilities or expenditures made or incurred by or on behalf of the Association, together with all funds necessary for the creation or maintenance of reserves, consistent with the provisions of this Declaration.

1.1.10. "Controlling Interest" means the ownership by Declarant and any Affiliate of Declarant, as of the date of such determination, of at least twenty five percent (25%) of the Units in the Property.

1.1.11. "Declarant" means The Courtyards at Salem Place, L.L.C., a South Carolina Limited Liability Company, its successors and assigns, and any entity designated as a successor Declarant by The Courtyards at Salem Place, L.L.C. by a recorded supplemental declaration or deed, provided, however, that "Declaration" shall not include the purchaser, owner, or mortgagee of any Unit solely because of such interest.

1.1.12. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for THE COURTYARDS AT SALEM PLACE and all amendments or Supplemental

Declarations thereto filed for record from time to time in the Office of the Register of Deeds for Richland County, South Carolina.

1.1.13. "Development" means the community constructed or to be constructed upon the Property or portions thereof.

1.1.14. This section intentionally left blank.

1.1.15. This section intentionally left blank.

1.1.16. "Lot" means any parcel that is platted of record and intended for development of one (1) Residential Unit, but which contains no structure for which a final certificate of occupancy or comparable evidence of completion has been issued by the applicable regulatory authority.

1.1.17. This section intentionally left blank

1.1.18. This section intentionally left blank

1.1.19. This section intentionally left blank

1.1.20. "Occupant" means any individual lawfully occupying any Unit, including, without limitation, any Owner, or family member, guest, invitee, licensee, or tenant of an Owner occupying any Unit.

1.1.21. "Owner" means any Person that owns fee simple title to any Unit located on the Property. Each Owner is a member of the Association with voting rights as set forth in the Bylaws. "Owner" shall not mean (i) a mortgagee unless such mortgagee has acquired title to the Unit, or (ii) any Person having a contract to purchase a Unit but to which title has not been conveyed.

1.1.22. "Permitted Density" means the number of dwelling units that are permitted to be developed within the Property as of the date of recordation of this Declaration, which number is 72 single family dwelling units. If the Declarant subjects Added Property to the Declaration, the Declarant may, in its sole discretion, increase the Permitted Density for the combined parcels by the number of dwelling units that may be developed within the Added Property.

1.1.23. "Person" means any individual or legal entity, as the context may reasonably require.

1.1.24. "Property" means all the land and improvements thereon described in Exhibit "A" and any Added Property.

1.1.25. "Residential Unit" means any portion of the Property, that (a) is intended for occupancy as an attached or detached residence for one family, (b) may be independently owned and conveyed, (c) is held under one ownership (which may include, without limitation, ownership by co-tenancy, joint tenancy or tenancy-in-common), and (d) for which a certificate of occupancy (or comparable certificate) has been issued by the applicable regulatory authority. "Residential Unit" includes, by way of illustration and not limitation, patio or zero lot line homes, and single-family detached houses on separately platted lots. The Association shall have the right to

determine whether a Residential Unit exists and how many Residential Units exist at a particular time, subject to the provisions of this Declaration.

1.1.26. "Restrictive Covenants" means the covenants, conditions and restrictions, more fully set forth in Section 3, that have been placed upon the Property and serve as requirements for the use of the Property by all Owners.

1.1.27. "Rules and Regulations" means those standards governing the use, administration and operation of the Property as are more specifically defined in Section 5.3.

1.1.28. "Subordinate Declaration" means a new declaration filed by Declarant to add additional property to be subject to this declaration, which will be referred to as "Added Property."

1.1.29. "Unit" means a Lot or a Residential Unit.

## **2. RIGHTS NOT SEVERABLE; DECLARANT OBLIGATIONS**

### 2.1. NON-SEVERABILITY OF RIGHTS

The rights, liabilities and obligations set forth herein shall attach to and run with the ownership of a Unit as more specifically set forth below, and may not be severed or alienated from such ownership. Every Owner shall take title, and every mortgagee or holder of a security interest in any part of the Property shall hold such mortgage or security interest subject to the terms and conditions of this Declaration.

### 2.2. RESPONSIBILITIES OF DECLARANT

Declarant shall be responsible for development and construction of such roads within the Property as Declarant determines are required for effective circulation within the Property (the "Roads"). It is the intent of Developer to dedicate the Roads, upon completion, to the applicable public authority. Developer shall also be solely responsible for (a) the initial installation of such walkways, signage, landscaping, street lighting, signage lighting and landscape lighting in the Common Area as Declarant shall determine are appropriate, (b) the initial installation of such landscaping, signage and lighting in the Common Area as Declarant shall determine are appropriate, (c) the initial installation of main storm water lines, drainage ways, and retention or detention ponds and lagoons serving the drainage needs of the Property, and (d) the installation of main water, sanitary sewer, cable television, natural gas and electrical lines within the Property that are adequate to permit the Owner of a Unit to obtain access thereto for the Unit upon payment of standard tap-in or service fees.

## **3. RESTRICTIVE COVENANTS**

The following covenants, conditions, restrictions, easements, rules and regulations, policies, procedures or standards apply to the Property:

3.1. Residential Use of Properties. All Units (which are defined by the Declaration as a Lot or Residential Unit on the Lot) shall be used solely for residential purposes. No business or business activity shall be carried on upon any Unit at any time; provided, however, that (a) nothing

herein shall prevent Declarant or any builder of any homes on the Property from using any Unit owned by Declarant or such builder of homes for the purpose of carrying on business related to the development, improvement and sale of the Property and (b) to the extent allowed by applicable zoning laws, a private office may be maintained in a Unit as long as such use is incidental to the primary residential use of the Unit, does not violate any applicable law, does not involve any exterior signage or advertising of the Unit as a place of business, and does not contribute to parking, traffic or security problems, all in the opinion of the Board of Directors of the Association.

3.2. Number of Units. Only one (1) Residential Unit shall be built upon any Lot. There shall be up to 72 units within the plan of development.

3.3. Architectural and Landscaping Guidelines. In addition to the provisions herein, all development with the Property shall comply with the Architectural and Landscaping Guidelines for The Courtyards at Salem Place issued by The Courtyards at Salem Place, L.L.C., as amended from time to time in accordance with the Architectural and Landscaping Guidelines (the "Architectural and Landscaping Guidelines"). Authority for enforcement of the Architectural and Landscaping Guidelines is vested in the Architectural Review Board (ARB) established by the Association. (Also see Section 3.4 below.)

3.4. Review of Architectural Plans and Architectural and Landscaping Activities.

A. The Architectural and Landscaping Guidelines contain provisions regarding review of plans for residences and other Architectural and Landscaping Activity. The Architectural and Landscaping Guidelines are subject to change, however, so an Owner should confirm the current provisions.

B. In addition to the policies and procedures of the Association, the Board of Directors of the Association may establish and enforce additional rules and regulations relating to review of Architectural and Landscaping Activity (as defined in Exhibit C) that are not inconsistent with the Development Guidelines.

C. Neither the Declarant, the Board of Directors, the Association, any architectural review entity that is established pursuant to the Declaration, nor any Person who is a member of any of such entities, shall be responsible or liable in any way for any defects in any plans or specifications approved, or for any structural defects in any work done according to such plans and specifications. Further, such Persons shall not be liable for damages to any Person submitting plans or specifications for approval under this Section, or to any Person affected by such plans, specifications, approval or disapproval as a result of mistake of judgment, negligence or non-feasance arising out of, or in connection with, the approval or disapproval or failure to approve or disapprove any such plans or specifications.

3.5. Residence Size. The enclosed living area of the main structure of a Residential Unit (exclusive of open porches, porte-cocheres, garages and breezeways, bonus rooms and unheated basements shall not be less than 1,700 Square feet as measured from the inside of the perimeter walls of the main structure.

3.6. Compliance with Ordinances and Restrictions. Each building or structure erected on any Lot shall be located in accordance with applicable zoning, building, setback and similar development standards ordinances of Richland County, South Carolina, and in accordance with the restrictions and requirements contained herein. Whichever ordinance, restriction or

requirement is more restrictive shall apply.

3.7. Setbacks. Any building or structure (other than subordinate structures that are normally placed between the front of a residence and a street, such as entry lighting standards, utility junction boxes and transformers, mailboxes, etc.) shall be set back in accordance with the minimum building set back line as shown on the Master Plat of The Courtyards at Salem Place from any public street right-of-way on which it fronts; provided, however, that (a) exceptions may be granted by the ARB as to corner Lots and Lots on cul-de-sacs and (b) in order to preserve trees, improve storm drainage, achieve aesthetic goals, improve vistas, or similar purposes, the ARB may require a greater setback or propose a lesser setback. If a lesser setback is proposed that would require a variance from Richland County or Lexington County, the ARB may require an Owner to seek such a variance. For the purpose of determining compliance with setback requirements, roof eaves and steps that extend from the first living level of the outside wall of a structure to the finished grade of the Lot shall not be considered a part of the structure. The ARB, in its sole discretion, may permit other exceptions, such as on-grade terraces, stoops or similar ancillary exterior extensions of the structure. Any such exception shall be in writing.

3.8. Buffers, Lagoons, Drainage Areas, etc. All buffer areas shown on any recorded plat as part of a Lot shall be maintained by the Owner thereof as a planted and landscaped area unless otherwise indicated on the recorded plat. No building or structure that is not indicated on the recorded plat shall be constructed in the buffer area and no parking, storage area or other use that is not indicated on the recorded plat may be maintained therein unless approved in writing by the ARB of the Association. No buffer area maintained by the Association shall be disturbed in any way by an Owner without the express written permission of (i) the Association, if the buffer area is maintained by the Association. The Owner of any Lot bordering any drainage easement shall neatly maintain, prune, and, if appropriate, mow, the area between the edge of any drainage easement and the Lot unless the Association notifies the Owner, in writing, that it will maintain such area. The Association may, in its sole discretion, elect to maintain some or all of such area as an Area of Common Responsibility. No waste, garbage or wastewater shall be discharged, dumped or otherwise placed in any lake, lagoon, canal or drainage easement.

3.9. Exterior Maintenance. Each Owner shall maintain the exterior of the Unit in a neat, orderly, safe and aesthetically attractive condition. The areas to be so maintained include, but are not limited to, paint or stain, roofs, gutters, downspouts, chimneys, vents, heating and air conditioning systems, fences, walls, shutters, mailboxes, driveways, walks, lighting, exterior building surfaces, lawns, trees and landscaping. The owner of a Lot shall keep the Lot free of all tall grass and weeds, undergrowth, dangerous or dead trees and tree limbs, trash and rubbish, and stored materials. In the event that any owner of a residential Lot fails to maintain their yard and overall landscaping of their Lot or Area of extended Lot Owner Responsibility in a manner keeping with the Declarations, as determined by the Declarant or an Architectural Control Authority, when empowered, from time to time as they see fit, the Declarant or the Architectural Control Authority, when empowered, may issue a compliance demand requiring the Owner of the residential lot to bring the Lot or Area of Extended Lot Owner Responsibility into keeping with the Declaration, as determined by the Declarant or the Architectural Control Authority, when empowered. If the Owner of the residential Lot fails to comply within the time required by the notice, the Declarant or the Association may enter upon the Lot or Area of Extended Lot Owner Responsibility, bring the Lot or Area of Extended Lot Owner Responsibility into keeping with the community, as provided above-and levy against the Owner of the Lot an assessment for Non-Compliance and such Assessment shall be a lien upon the land.

3.10. Height. No building or structure shall exceed two and one-half (2 1/2) stories in

height. "Height" shall be measured from finished exterior grade adjacent to the structure's front entry. Unless otherwise expressly permitted in writing by the ARB, elements of the structure that are excluded from height limitations by applicable ordinances of Richland County (e.g. chimneys) are also excluded for the purposes of this provision.

3.11. Subdivision of Lots. Residential lots shall not be subdivided unless approved by the Board of Directors of the Association. Two or more Lots (or one Lot and part of another Lot) may be combined to form a fewer number of Lots so long as any resulting Lot(s) meet(s) all subdivision and zoning requirements and such combination is approved by the Board of Directors of the Association. After combination, any easements along side Lot lines between the combined Lots shall be deemed automatically abandoned unless, at the time of combination of the Lots (a) a utility line or similar use is located within the easement area, or (b) it is likely that a utility line or similar use shall subsequently be required through such easement area, or (c) the Owner of the combined Lot containing such easement records a document in the Office of the Register of Deeds for Richland County confirming that the easement is not abandoned. The Owner of any combined Lot shall be responsible for all costs and expenses of removing or relocating any utility located along or adjacent to any side Lot line being abandoned. After combination of the Lots, the structural setback, utility easements and similar building line requirements shall apply as though the combined Lots are a single Lot. The combination of Lots shall not reduce the Assessments allocable to the combined Lots. After combination of the Lots, the Owners combining lots shall apportion their respective shares of the Assessments attributable to the Lot(s) being combined in the same percentage as that portion of the combined Lot(s) bears to the total Lots combined. For example, if two Lot owners each buy one half of a Lot to combine with their original Lots, each Owner shall pay one half of the Assessments allocable to the divided Lot, plus the normal Assessments for the original Lot.

3.12. Walls and Fences. All fencing and walls must be approved by the ARB. Chain link fences are prohibited. In order to permit proper maintenance, unless expressly approved in writing by the ARB, no fence or wall shall be closer than fifteen (15) feet (as measured horizontally) from the normal high water mark of any lagoon, lake, or drainage ditch or easement, or preclude access to any common utility line or facility.

3.13. Accessory and Temporary Structures. No accessory building or structure other than a garage of similar design features and materials as the main Residential Unit shall be permitted unless expressly approved in writing by the ARB. No shed, tent or temporary structure shall be erected or maintained on a Lot except as may reasonably be required, in the opinion of the ARB, for purposes incidental to the construction, maintenance or repair of improvements on the Lot or approved nearby Property, and such structures are promptly removed upon completion of the construction, maintenance or repair. Unless approved in writing by the Board of Directors of the Association, no trailer, camper, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence, either temporarily or permanently. All approved temporary structures shall be neatly maintained during the permitted period of use.

3.14. Parking and Driveways. The Owner of each Lot shall provide usable parking spaces on the Lot for the greater of (a) at least two (2) vehicles, or (b) the number of vehicles normally parked on the Lot by occupants of the Residential Unit on the Lot. All driveways, parking spaces and entrances to garages shall be of concrete or such other substance of a uniform quality that (i) conforms to the Development Guidelines and (ii) is approved in writing by the ARB. The number of vehicles parked on a Lot shall not exceed the number of parking spaces on such Lot that are available for parking. All parking shall be within areas specifically designed for parking. No overnight parking shall be permitted on streets and no parking shall be permitted on streets at

other times. No unlicensed vehicle; house trailer; mobile home; boat; boat trailer; camper; habitable motor vehicle; bus; truck or commercial vehicle over one (1) ton capacity; vehicle bearing a prominent commercial logo or lettering; or any inoperable vehicle shall be stored or parked overnight on a Lot except within an enclosed garage, or when otherwise screened from view from adjacent Lots or streets in a manner approved in writing by the ARB of the Association.

3.15. Garages. Garage doors shall be closed except when vehicles are entering or exiting the garage, or when a permitted activity with the garage requires that the garage door be temporarily open for ventilation, light or access. Garages shall be used only for parking permitted vehicles and other activities permitted by the Declaration and law that do not interfere with the primary purpose of parking vehicles.

3.16. Changing Elevations. No Owner shall excavate or extract earth from a Lot for any business or commercial purpose. This restriction shall not apply to any excavation that may occur by the Declarant or a builder of a home on a Lot for the purpose of providing required storm water retention capacity for the Lot or the Property or for removing materials that are unsuitable for construction purposes; provided that the responsible entity shall regrade and/or fill the excavated area as may reasonably be required so that the result is aesthetically acceptable. No elevation changes shall be permitted that materially affect the surface grade of an adjacent Lot or cause additional storm water to be discharged over such adjacent Lot, unless approved in writing by the ARB.

3.17. View Obstructions at Street Intersections. No structure, tree branches, or other vegetation shall be permitted to obstruct the view of an operator of a motor vehicle, pedestrian, or bicyclist at a street intersection. As a general rule, such obstructions shall be prohibited within that area that lies within the approximately triangular space created by the intersection of the outside of the travel surfaces of any two streets, and extending twenty (20) feet along the edge of each street (i.e. a right triangle that is twenty (20) feet in length from the point of intersection). The ARB may require a greater view angle at key intersections. The Owner of a Lot shall be responsible for pruning all vegetation within his Lot that would create an unauthorized obstruction and the Association also shall have an easement to remove any unauthorized obstruction.

3.18. Delivery Receptacles and Lot Identification Markers. The ARB shall have the right to issue specifications for and/or approve as to location, color, size, design, lettering and all other particulars of receptacles for the receipt of mail, newspapers or similar delivered materials; property identification markers; and name signs.

3.19. Completion of Construction. The Board of Directors of the Association shall have the right, but not the obligation, to take appropriate Court action, whether at law or in equity, to compel the immediate completion of any Residential Unit or structure not completed within one (1) year from the date of commencement of construction.

3.20. Animals and Pets. No animals, livestock, reptiles, fowl or poultry shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes and are housed within the Residential Unit or any accessory structure that has been expressly approved by the ARB in writing. Such household pets must not constitute a nuisance or cause unsanitary conditions. Incessant barking or howling of a dog that is clearly audible on another Lot shall be a nuisance. Such household pets shall be maintained within the Lot of the Owner and it shall be considered a nuisance if such pet is allowed to go upon another Owner's Lot or to be upon the streets or other Common Areas or Area of Common Responsibility unless under leash or carried by the Owner.

No pet shall be permitted to leave its excrement on any portion of the Common Areas or Area of Common Responsibility or the Lot of another Owner and any Owner of such pet shall immediately remove the same. The Board of Directors shall have the right to determine, in its sole discretion, whether a particular pet meets the criteria set forth above, and, if not, it may require the owner of the pet to remove such pet from the Property.

3.21. Offensive Activities. No noxious, offensive or illegal activities shall be carried on upon any Unit, nor shall anything be done thereon that is or may become an annoyance or nuisance to the Owners of other Units within the Property. Without limiting the generality of this provision, no exterior speakers, horns, whistles, bells or other sound devices that emit sounds that are audible on other Lots shall be located within the Property, except security and fire alarm devices or other devices expressly approved in writing by the Board of Directors of the Association.

3.22. Signs. No signs are permitted except those that are consistent with the Development Guidelines, are professionally designed and constructed; are either street signs or signs identifying the Property as a whole or a particular section within the Property; are required to comply with any law regarding zoning hearings, judicial sales or similar mandatory procedures; or advertise the availability of a Lot or Residential Unit thereon during the development and construction period. All signs during the construction and development period shall be subject to approval by the ARB. No flashing, movable, or neon signage shall be permitted on the Property. No billboards or signs except for signs advertising "for sale" or "for rent", or similar wording shall be placed on any Unit or displayed on any Unit. In no event shall a "for sale" or "for rent" sign be greater than 2 feet high by 3 feet wide in size.

3.23. Screening and Clotheslines: Unless otherwise expressly approved in writing by the ARB, trash containers, pool equipment, solar heating panels, heating and air conditioning systems, and similar equipment shall be screened to conceal them from view of the naked eye of a person standing at existing grade on any neighboring Lot, street, or easement or buffer area containing pedestrian or bicycle paths. All fuel tanks and utility service lines connecting to the Residential Unit or other structures on the Lot shall be underground. Exterior clotheslines are prohibited.

3.24. Antennas and Satellite Dishes. EXCEPT AS PROHIBITED BY LAW, INCLUDING WITHOUT LIMITATION 47 U.S.C. §303 NT, AND RELATED FCC RULES, 47 CFR §1.400 (WHICH LIMITS , BUT DOES NOT ENTIRELY PROHIBIT, CONTROL BY THE ASSOCIATION OF THE SIZE AND LOCATION OF ANTENNAS AND SATELLITE DISHES), no telecommunications, radio or television transmission or reception towers or satellite dishes or antennas shall be erected on any Unit. An owner may have one free standing disc or dish that is (a) not more than two feet in height or diameter, (b) screened from view of the naked eye of a person standing at existing grade on any street fronting on the Lot or Unit, and (c) in a location approved in writing by the ARB.

3.25. Garbage and Refuse Disposal. Trash, garbage or other waste shall be kept in closed, sanitary containers and, except during pickup periods, shall be kept inside the Residential Unit or within an enclosed or fenced service or storage area. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. All service and storage areas shall be enclosed or fenced in such a manner that the materials within shall be screened from view of the naked eye of a person standing at existing grade on any neighboring Lot, street, or easement or buffer area containing pedestrian or bicycle paths. Garbage cans, trash containers, boxes, bags, and other trash or debris shall not be placed on the street until after 6:00

P.M. on the day before the date of pickup and all empty containers shall be removed by 6:00 P.M. on the date of pick-up.

3.26. Water, Sanitary and Storm Water Systems. Water shall be supplied and sanitary sewage and storm water shall be disposed of through such system(s) as may be specified by the Association. No Owner shall pump water from any lake or lagoon.

3.27. Model Homes. Declarant, as well as any builder of homes on the Property, shall have the right to construct and maintain model homes on any of the Lots.

3.28. Easements. In addition to any easements granted by the Declaration, Units shall be subject to those easements, if any, shown on any recorded plat of the Property or a portion thereof that is approved by the Declarant.

3.29. Enforcement of Restrictive Covenants. The restrictive covenants contained herein may be enforced by the Board of Directors through injunctive relief or any other remedies available at law. If an Owner fails to comply with these restrictive covenants the Association may take such action as the applicable Board of Directors determines is appropriate to enforce the restrictive covenants or to remedy the problem caused by the Owner's failure to comply, in accordance with the Declaration. The Board of Directors shall give the non-complying Owner written notice of the nature of the violation and, if desired, the action that is required in order to cure the violation. Except in cases in which the Board of Directors determines that the violation constitutes a safety hazard, violation of law or an emergency situation, the Owner shall have seven (7) calendar days from the date of receipt of notice, or such additional time as may be authorized by the Board of Directors in writing, to cure the violation or to provide to the Board of Directors reasonable evidence that no violation exists. The Board of Directors of the Association shall also have the right to enforce these restrictive covenants pursuant to the procedure set forth above.

3.30. Other Rules and Regulations. The Board of Directors may, in addition to these restrictive covenants, issue other Rules and Regulations from time to time.

#### **4. EASEMENTS AND PROPERTY RIGHTS**

##### 4.1. EASEMENTS FOR DECLARANT

During the period that Declarant owns any of the Property, or until such earlier time as Declarant records a Supplemental Declaration relinquishing its rights as set forth in this section, Declarant shall have an alienable and transferable easement on, over, through, under, and across the Area of Common Responsibility for the purpose of constructing, installing, maintaining, repairing and replacing such improvements to the Property as Declarant desires. The exercise of such easement by Persons other than Declarant shall be undertaken only with the written approval of the Declarant so long as the Declarant holds a Controlling Interest.

##### 4.2. EASEMENTS FOR ASSOCIATION

The Association and their directors, officers, agents and employees, including, but not limited to, any Managing Agent of the Association and any officers, agents and employees of such

Managing Agent, shall have a general right and easement to enter upon the Property in the performance of their respective duties. Except in the event of emergencies, as reasonably determined by the Association, or Managing Agent, this easement shall be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner directly affected thereby.

#### 4.3. EASEMENTS FOR UTILITIES AND SERVICES

The Declarant or the Association shall have a transferable, perpetual power and authority to grant and accept easements to and from any private entity or public authority, agency, public service district, public or private utility or other Person, upon, over, under and across the Area of Common Responsibility for constructing, installing, maintaining, repairing, inspecting and replacing television cable systems, data transmission systems, security and similar systems, landscaping, and all utility facilities and services, including, but not limited to, storm and sanitary sewer systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by Declarant or Association without notice to or consent by the Association. The Association shall not grant such easements over Property owned by the Declarant or its Affiliates without the express written permission of the owner. Unless approved by the Declarant, all utility lines serving the Property and located therein shall be located underground. Unless permitted by the terms of the easement, or unless permitted by the grantee of the easement or the commission, municipality, utility or other entity controlling the easement area, no structure shall be erected, no paving shall be laid, and no trees or shrubs shall be planted in such easement, without the written consent of the grantee of such easement. **THE DEVELOPER, THE ASSOCIATION, THE ARCHITECTURAL REVIEW BOARD, THEIR AGENTS, EMPLOYEES AND OFFICERS SHALL NOT BEAR RESPONSIBILITY FOR THE REPAIR OR REPLACEMENT OF ANY LANDSCAPING PLANTED, SPECIAL GRADING ESTABLISHED, OR STRUCTURE CONSTRUCTED WITHIN AN EASEMENT, WHETHER PLANTED ESTABLISHED OR CONSTRUCTED INTENTIONALLY OR INADVERTANTLY AND WHETHER APPROVED OR NOT BY THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED.**

#### 4.4. EASEMENT FOR PUBLIC SERVICES

Law enforcement, fire, water, health, environmental and other authorized public officials, employees and vehicles shall have the right of unrestricted ingress and egress to the Area of Common Responsibility for the performance of their official duties and consistent with applicable law. The Board of Directors of the Association may establish such procedures, consistent with applicable law, as it may determine are reasonably required to govern such access.

#### 4.5 EASEMENT OF MAINTENANCE OF YARDS

The Declarant reserves unto itself, its Successors and assigns, and the Association, a perpetual, alienable easement and right of ingress, egress and access, over, upon across and under each lot to replace, cut, trim or otherwise maintain all landscaping, shrubbery, grass, and other vegetation visible from any street.

Nothing herein shall require the Declarant or the Association to provide these services, but the easement shall be for the purpose of providing these elective services if the Declarant or the

Board of Directors, when empowered, elects to provide such services. If the Declarant or the Board of Directors, when empowered, elects to provide these services then the Lot Owner will be obligated to pay Assessments, Regular and Special, to pay the cost of such services.

#### 4.6. COMMON AREAS

##### 4.6.1. General Rights of Owners

Every member of the Association shall have the right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and pass with each share subject to the following provisions:

- (a) The right of the Board of Directors to formulate, publish, and enforce rules and regulations regarding the use of the Common Area and to charge reasonable admission and other fees for the use of any recreational facilities located thereon.
- (b) The right of the Corporation to suspend a Shareholder's right to vote and right to use the recreation facility for any period during which an assessment against his share remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.
- (c) The right of the Corporation to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by at least two-thirds of the shareholders has been recorded.
- (d) All shareholders shall have equal rights and privileges therein regardless of the number of shares owned by any shareholder.
- (e) Use and enjoyment of the corporate property shall be restricted to shareholders, their immediate families and guests.

##### 4.6.2 Delegation of Use.

Any member may delegate in accordance with the by-laws of the Corporation his rights of enjoyment of the Common Area and facilities to members of his family, his tenant, or contract purchasers; however, each delegee shall reside upon the lot of such owner.

##### 4.6.3. Common Area Conveyance and Creating and Adding Common Areas

Upon such time as Declarant no longer has a Controlling Interest in the Property; the Declarant shall convey any completed Common Area within any Phase of development should declarant elect to develop the property in phases, to the Association free and clear of encumbrances (other than matters that do not preclude the normal use of the Common Area, such as, without limitation, utility easements, and this Declaration). In addition, the Declarant may subsequently convey additional completed Common Area to the Association, provided that such

Common Area is free and clear of encumbrances (other than matters that do not preclude the normal use of the Common Area, such as, without limitation, utility easements, and this Declaration). With the approval of the Owner of the relevant property, the Association may designate, in a Supplemental Declaration or deed, additional Common Area or other Area of Common Responsibility within the Property for which the Association shall be responsible. The owner of the Property conveyed or designated shall promptly provide to the Association a copy of the recorded document.

#### 4.6.4. Completion of Conveyance of Common Areas; Association Responsibility

Unless expressly approved by the Association and the Declarant, all Common Areas within the Property shall be conveyed to the Association no later than ninety (90) days after the date of closing the sale of the last Unit in the Property. After approved conveyance of a Common Area or designation of an Area of Common Responsibility, the Association shall be fully responsible for its operation, maintenance and repair, except as otherwise stated in the document conveying or designating such property.

#### 4.6.5. Conveyance or Mortgaging by Association

No Common Area that has been conveyed to the Association shall be subjected to a mortgage or conveyed to any other Person without the approval of Units, excluding Units Owned by the Declarant, representing not less than two thirds (2/3) of the Total Assessment Shares, as determined in Section 6.1.4. If the sole ingress and egress to any Unit is through Common Area, any conveyance of the Common Area shall be subject to the Unit's right of ingress and egress.

#### 4.6.6. Changes in Common Area Property Lines

So long as the Declarant has a Controlling Interest, Declarant reserves the right, without the approval of the Association, to change the boundary lines between any Common Area and other Property owned by Declarant or any Affiliate, provided that such change does not result in a net decrease in the Common Area and provided that approval for such change is obtained from Richland County

#### 4.6.7. This section Intentionally Left Blank

### 4.7. SUBJECTING ADDED PROPERTY TO DECLARATION

So long as the Declarant owns any portion of the Property, the Declarant shall have the right to annex additional property into the Property by the filing of an amended or addendum to this Declaration describing the property annexed and imposing this Declaration upon such property. All property annexed in this manner shall be a part of the Property and Community as fully as if it had been a part of thereof from the filing of this Declaration. As property is added to the Community, if any, the Lots comprised such additional property shall be counted for the purposes of voting. So long as the Declarant owns any portion of the Property, the Declarant shall have the right to remove portions of the property from the operation of the Declaration by filing an amended or addendum to this Declaration describing the property removed or released said portion from this Declaration.

## **5. THE ASSOCIATION**

### 5.1 MEMBERSHIP AND VOTING RIGHTS

It is mandatory that every person or entity who is an owner of any Lot shall be a Member of the Association. Membership shall be mandatory to and may not be separated from ownership of any Lot. In those instances in which the Members have the right to vote, the Association shall have only two classes of voting membership. Each member's vote shall be counted individually and not counted as the vote of the individual class. The two classes are as follows:

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

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot owned. Class B shall cease and be converted to Class A membership, on the occurrence of any of the following events whichever occurs earlier:

- (1) Four months after the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership (at this point seventy-five (75%) percent of the Lots would be conveyed to Owners);or
- (2) On January 1, 2015.

From and after the happening of these events, whichever occurs earlier, a Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interest required for membership under Section 5 of these Declarations.

## 5.2. GOVERNANCE

The Association shall be governed by a Board of Directors selected as set forth herein. The Board of Directors shall function in accordance with this Declaration and the Bylaws, and all Owners shall be bound by this Declaration and the Bylaws. The Bylaws may be amended, from time to time, only as provided herein. The Board of Directors shall constitute the final administrative authority of the Association. All decisions of the Board of Directors that are not inconsistent with applicable law or this Declaration shall be binding upon the Association and the Owners. Unless otherwise expressly stated by this Declaration or the Bylaws, all rights, titles, privileges and obligations vested in or imposed upon the Association shall be held and performed by the Board of Directors.

## 5.3. BOARD OF DIRECTORS

### 5.3.1. Prior to Loss of Controlling Interest by Declarant

For so long as Declarant has a Controlling Interest, the Board of Directors shall consist of not less than three (3) nor more than five (5) individuals, as determined and designated by Declarant from time-to-time. Such individuals need not be Owners of Units.

### 5.32 Subsequent to Loss of Controlling Interest by Declarant

At such time as Declarant no longer has a Controlling Interest, the Board of

Directors shall consist of such number of individuals as are selected in accordance with the Bylaws.

#### 5.4. RULES AND REGULATIONS

The Board of Directors shall have the authority from time to time to adopt Rules and Regulations governing the administration, use, and operation of the Property, which Rules and Regulations are subject to the terms of this Declaration and the Bylaws of the Association. The initial Rules and Regulations are set forth in Exhibit C to this Declaration.

#### 5.5. ARCHITECTURAL REVIEW

The Board of Directors shall have the authority from time to time to create an Architectural Review Board and to adopt Rules and Regulations governing its operation, procedures, funding, and scope of authority, which Architectural Rules and Regulations are subject to the terms of this Declaration and the Bylaws of the Association. Any initial Architectural Rules and Regulations are set forth in Exhibit D to this Declaration.

##### 5.5.1. Purpose, Powers and Duties of the Architectural Review Board (ARB)

The purpose of the Architectural Review Board (“ARB”) is to assure that all proposed uses and any construction or alteration of any structure which takes place on any lot or any other property shall be performed in conformity with the objective of high quality, environmental design and development as set forth in this declaration by the ARB guidelines. To carry out that purpose, the ARB shall have the right, pursuant to the provisions of the by-laws and this restrictive covenant to approve any and all proposed uses, sight plans, and structures to be constructed on the property, including proposed uses, sight plans, and structures for common property. It shall also have the right to approve or disapprove any and all proposed external alterations or use changes for lots or structures including common property.

##### 5.5.2. Objectives.

Architectural and design review shall be directed toward obtaining the following objectives:

- (1) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, and the removal of trees and vegetation which could cause the destruction of natural water courses or scar natural land forms.
- (2) Ensuring that the location and configuration of structures are visibly harmonious with the terrain and vegetation of the lots and structures and with the surrounding residential lots and structures and does not unnecessarily block scenic views from existing structures or tend to dominate the general development or natural landscape.
- (3) Ensuring that the architectural design and structures and their materials and colors are visually harmonious with The Courtyards at Salem Place overall appearance, history, and cultural heritage with surrounding development, with natural land forms, with native vegetation, and with development plans of any governmental or public authority, if any, for the areas in which the structures are proposed to be located.

- (4) Ensuring that the plans for landscaping provide visually pleasing settings for structures on the same lot and on adjoining or nearby lots and blend harmoniously with the natural landscape.
- (5) Ensuring that any development, structure, or landscape of the lots and Common Area complies with the provision of these covenants.
- (6) Determining the location of driveways and other improvements.

#### 5.5.3. Architectural Review Board

- (1) The Declarant shall establish an architectural review board which shall consist of three or more members. The three members shall be appointed by the Board of Directors. The Board of Directors and any members so elected may resign or be removed by the board, with or without cause, in the same manner as provided in the by-laws of The Courtyards at Salem Place, for the resignation and removal of officers of the board.
- (2) The ARB shall elect its own chairman and he, or in his absence the vice-chairman, shall be the presiding officer over its meetings. All meetings shall be held upon the call of the chairman. All meetings shall be held at such place and time as may be designated by the chairman. Two members shall constitute a quorum for the transaction of business. The affirmative vote of the majority of the members of the ARB present at the meeting at which there is a quorum shall constitute the action of the review board on any matter before it. The review board shall operate in accordance with its own rules, procedures, and guidelines which shall be filed with the Corporation and maintained in the records of the Corporation. The ARB may split itself into panels of two or more members or appoint committees which shall act in its behalf and perform duties delegated to them by the ARB.
- (3) The ARB is hereby authorized to retain the services of one or more consulting architects, landscape architects, urban designers, attorneys and/or professional consultants as it deems necessary to advise and assist the ARB in performing the functions herein prescribed.
- (4) The ARB may adopt, promulgate, amend, revoke, and enforce guidelines ("ARB Guidelines") by directing the board to take actions thereon for purposes of:
  - (a) governing the form and content of plans and specifications to be submitted and for approval pursuant to provisions hereof;
  - (b) governing the procedures for such submissions of plans and specifications;
  - (c) establishing policies with respect to the approval and disapproval of all proposed uses and all constructions or alterations of any structure on any lot, Common Area, road or interest way;
  - (d) establishing the locations of driveways on all lots and;
  - (e) approving all builders, architects and residential designers, etc. for

the subdivision.

- (5) The ARB will publish and make copies of its current guidelines readily available to members and prospective members of the Association upon request.
- (6) The Board of Directors shall enforce the decisions of the ARB.

5.5.4. Review of Approval of Plans for Additions, Alterations or Changes to Structures and Landscaping

No structure, building, wall, fence, sign, mailbox, trash container, swimming pool, tennis court, roof (including the color and composition thereof), siding and other exterior materials and finishes, exterior light, landscaping or other structure or improvement of any kind shall be commenced, erected, or maintained upon any residential lot or upon the exterior of any dwelling unit or upon any recreational tract or upon the common properties, restricted common properties nor shall any landscaping be done, maintained, nor shall any addition to any existing building or structure or alteration or change therein be made or maintained until the proposed building plan, specifications (including height, shape, type, nature, color, composition of roofs, siding and exterior materials or finishes), plot plan (showing the location of such building or structures and other items listed hereinabove, driveways and parking areas), landscape plan, and construction schedule as required by the board shall have been submitted to and approved by the ARB. Any alteration of the plans and specifications, changes, or deviations from the approved plan and specification during construction or of the completed structure must also be submitted to the ARB reserving the same right to disapprove alterations as it retained for disapproving the original structures. Should the ARB fail to take action on a proposal within 21 days of the ARB's receipt of the plans, the inaction of the board will serve as approval of the plans and specifications that were submitted.

5.5.5. Approval not a Guarantee of Representation of Proper Design or Good Workmanship

No approval of plans, location, or specifications and no publication of architectural standards or bulletins shall ever be construed as representing or implying that such plans, standards, or specifications will, if followed, result in a properly designed residence. Such approval and standard shall in no event be construed as representing or guaranteeing that any residence, or improvement thereto, will be built in a good workmanlike manner or comply with a governmental regulation or permit which are the responsibility of the lot owners. Neither the Declarant nor the ARB shall be responsible or liable for any defects in any plans or specifications submitted, revised, or approved under these covenants nor for any defects in construction pursuant to such plans and specifications. The owner shall have sole responsibility for compliance with approved plans and does hereby, by acceptance of title to property subject to these covenants, agree to hold the ARB and the Declarant harmless for any failure thereof caused by the owners' architect or builders. The ARB reserves the right to prohibit the owners' builder and/or general contractor from going to or upon the site or event until it is determined that failure to comply with approved plans is intentional or due to gross negligence under the above-mentioned circumstances. The owner hereby agrees that the exercise of these rights shall not constitute a denial of owner's private rights and shall not give rise to a cause of action for damages by the owner. **APPROVAL BY THE DECLARANT, BOARD OF DIRECTORS OR THE ARCHITECTURAL REVIEW BOARD, WHEN EMPOWERED, OF ANY PLANS AND SPECIFICATIONS OR THE GRANTING OF A VARIANCE WITH RESPECT TO ANY OF THE ARCHITECTURAL GUIDELINES AND REGULATIONS, WHEN ESTABLISHED, SHALL NOT IN**

**ANY WAY BE CONSTRUED TO SET A PRECEDENT FOR APPROVAL, ALTER IN ANY WAY THE PUBLISHED ARCHITECTURAL GUIDELINES, WHEN ESTABLISHED, OR BE DEEMED A WAIVER OF THE DECLARANT'S OR THE ARCHITECTURAL REVIEW BOARD'S, WHEN EMPOWERED, RIGHT IN ITS DISCRETION, TO DISAPPROVE SIMILAR PLANS AND SPECIFICATIONS, USE OF ANY STRUCTURE OR ANY OF THE FEATURES OR ELEMENTS WHICH ARE SUBSEQUENTLY SUBMITTED FOR USE IN CONNECTION WITH ANY OTHER LOT.**

#### 5.6. MANAGEMENT

The Board of Directors may retain a Managing Agent or one or more employees of the Association to manage any Area of Common Responsibility and supervise its maintenance and operation and the operation of the administrative affairs of the Association. The terms of any management or employment agreements shall be determined by the Board of Directors, provided that any management or employment contracts shall (i) permit the termination thereof by the Association for cause as defined by the Board of Directors upon not more than 60 days prior written notice; and (ii) be for a period of not more than two (2) years. Such contracts may permit renewals thereof for periods not to exceed two (2) years at a time provided that such renewal is approved by the parties. Nothing herein shall prohibit the Association from entering into a management contract with the Declarant or any Affiliate of the Declarant if the terms of such contract are reasonable and consistent with the above provisions.

#### 5.7. BOARD AND OFFICERS ACT FOR ASSOCIATION

Unless otherwise expressly indicated in writing, and in the absence of willful malfeasance, misfeasance, misconduct or bad faith, all contracts and agreements entered into by the Board of Directors, or the officers of the Association on behalf of the Association shall be deemed executed as agent for the Association.

#### 5.8. INDEMNIFICATION OF THE BOARD AND OFFICERS

The members of the Board of Directors and the officers and committee members of the Association shall not be liable to the Owners or the Association for any mistake in judgment or acts or omissions unless such act or omission was the result of such person's individual willful malfeasance, misfeasance, misconduct or bad faith. The Association shall indemnify and hold harmless such non-liable Persons against all liabilities to others arising out of any act or omission unless the liability is the result of such person's individual willful malfeasance, misfeasance, misconduct or bad faith. This provision may be expanded, but not narrowed, by the Bylaws.

#### 5.9. INSURANCE

##### 5.9.1. Acquisition of Insurance Coverage

If such insurance is available, the Board of Directors shall endeavor to obtain insurance coverage, in such amounts as it shall reasonably determine, for the Area of Common Responsibility, other property of the Association, and the activities of the Association, to cover the insurable interests of the Association and any mortgagees of the Association, and the insurable interests of the Declarant and their respective directors, officers employees and agents, if any, therein. To the extent feasible, in the opinion of the Board, such insurance coverage shall be obtained:

- A. Against loss or damage by fire, flood, earthquake or other casualty covered by standard extended coverage policies, for the full insurable value thereof (based upon current replacement cost).
- B. Against such risks as vandalism, theft and malicious mischief.
- C. For comprehensive general public liability and, if applicable, automobile liability insurance, covering loss or damages resulting from accident or occurrences on or about the Common Area or elsewhere.
- D. Worker's compensation and other mandatory insurance, if applicable.
- E. Fidelity insurance covering any employees or officers of the Association or Managing Agent having access to any substantial funds of the Association.
- F. Officers and directors insurance providing coverage against claims brought against the Board of Directors, officers, or other agents of the Association acting in such capacity.
- G. Such other insurance as the Board of Directors shall determine to be reasonable and desirable from time to time.

#### 5.9.2. Other Insurance Criteria

All insurance premiums shall be a Common Expense. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds for such insurance shall be payable to, the Association. The insurance coverage shall, if feasible, provide that:

- A. The interest of the Association shall not be invalidated by any act or neglect of any Owner or any officer or member of the Board of Directors of the Association;
- B. The coverage shall not be terminated for non-payment of premiums without at least thirty (30) days prior written notice to the Association; and
- C. Subrogation shall be waived with respect to the Association and its Board of Directors, employees and agents, and Owners, members of their household and mortgagees.

#### 5.9.3. Appointment of Trustee for Proceeds

The Board of Directors may, at its discretion, retain any bank, trust company, or South Carolina law firm (the "Trustee") to act as trustee, agent or depository on its behalf for the purpose of receiving or distributing any insurance proceeds. The fees and reimbursable expenses of the Trustee shall be a Common Expense.

#### 5.9.4. Reconstruction of the Property

The insurance proceeds for casualty losses (after payment of any applicable fees and reimbursable expenses of any trustee, attorney or consultant advising the trustee or the Association regarding insurance matters) shall be applied by the Board of Directors on behalf of the Association for the reconstruction or restoration of the damaged property; provided, however, if such proceeds are inadequate to reconstruct or restore the damaged property, the Board of Directors may pursue such other options as it may determine are reasonable under the circumstances.

## **6. ASSESSMENTS AND CHARGES**

### 6.1. REGULAR ASSESSMENTS AND BUDGET

Regular Assessments shall be computed and assessed against all Units as follows:

#### 6.1.1. Fiscal Year and Annual Budget

The fiscal year of the Association shall be the calendar year. Unless otherwise determined by the Board of Directors, the Board of Directors shall prepare or cause to be prepared by December 1 an operating budget (the "Budget") for the next fiscal year setting forth the estimated Common Expenses and anticipated revenues of the Association for such fiscal year, and any projected deficit or surplus from the preceding fiscal year. The Budget, once approved by the Board of Directors, shall serve as the basis for assessments to all Owners for such fiscal year and the primary guideline under which the Association shall be projected to be operated during such fiscal year. Within ninety (90) days following the close of the Association's fiscal year, the Board of Directors shall cause an unaudited or audited financial statement, as the Board shall determine, of the Association (the "Annual Report") to be prepared by a public accountant licensed to practice in the State of South Carolina. Upon request, a copy of the Annual Report shall be provided to any Owner of any Unit that is subject to Assessments.

#### 6.1.2. Determining the Budget and Total Assessments

The Budget shall be based upon annual estimates by the Board of Directors of the Association's revenues and its cash requirements to pay all estimated expenses and costs arising out of or connected with the use, maintenance and operation of the Common Area and Area of Common Responsibility and the operation of the Association. Such estimated expenses and costs (the "Common Expenses") may include, among other things, the following: management expenses, including compensation of any Management Agent; taxes and special assessments; insurance premiums; repairs and maintenance; wages and personnel expenses for Association employees; utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of one or more reasonable contingency reserves and/or sinking funds; any principal and interest payments due for debts of the Association; and any other expenses, costs and existing or projected liabilities that may be incurred by the Association for the benefit of the Owners pursuant to this Declaration. The Total Assessments shall be that portion of the Budget that must be funded by Regular Assessments.

#### 6.1.3. Allocation of Assessments

The allocation of Total Assessments, whether regular or special, shall be determined by whether the Unit is a Lot or a Residential Unit. The Owner of each Residential Unit shall pay one (1) Assessment Share, as defined in Section 6.1.4. below. For Assessment

purposes, a Residential Unit shall be deemed to exist on the first day of the first month following the month in which a final certificate of occupancy or comparable acknowledgment of completion is issued for the Unit by the applicable regulatory authority. The Owner of each platted Lot on which there is no Residential Unit shall pay one half (1/2) of one (1) Assessment Share until such time as a Residential Unit exists on the Lot.

#### 6.1.4. Calculating the Assessments: Assessment Share

To determine the number of Assessment Shares and the allocable Assessment for each type of Unit for the fiscal year, the Board of Directors shall:

A. Determine the total number of Residential Units existing at the beginning of the applicable fiscal year of the Association. This total is the "Assessed Residential Units." Multiply the number of Assessed Residential Units by one (1).

B. Determine the total number of Lots existing at the beginning of the applicable fiscal year of the Association. This total is the "Assessed Lots." Divide the number of Lots by two (2).

C. Add the Assessed Residential Units and the Assessed Lots. This constitutes the "Total Assessment Shares".

D. Divide the Total Assessments (see Section 6.1.2) for the fiscal year by the Total Assessment Shares to determine the amount of one (1) Assessment Share. Each Residential Unit will pay one (1) Assessment Share. Each Lot will pay one half (1/2) of one (1) Assessment Share.

**[Example:** Assume that (i) the Budget of the Association for the forthcoming fiscal year is \$3,000 (ii) there are currently 15 Residential Units, and (iii) there are currently 30 Lots. The Total Assessment Shares are (i) 15 for Residential Units, plus (ii) 15 for Lots (30 Lots divided by 2, or 15). There are 30 Total Assessment Shares. Thus, each Assessment Share for the year is \$3,000 divided by the number of Total Assessment Shares (30), or \$100 per Assessment Share. The Owner of a Residential Unit would pay \$100. The Owner of a Lot would pay \$50 (\$100 divided by 2).

NOTE: The Assessment calculations shown provide a mathematical example only. They are not intended to be estimates of the actual Assessment that may be applicable from time to time.

#### 6.1.5. Assessments for Units Not Existing at Beginning of Fiscal Year

If a Residential Unit is created after the beginning of the fiscal year but before the beginning of the next fiscal year, then the applicable Assessment, whether regular or special, for such Unit shall be pro-rated and shall be payable for the balance of the current fiscal year beginning on the first day of the first month following the month in which a certificate of occupancy is issued for the Unit by the applicable regulatory authority.

#### 6.1.6. Assessments for Units Owned by Declarant

Declarant and Affiliates of Declarant shall pay Assessments on Units owned by

them in the same manner as other Unit Owners; provided, however, that the Declarant may elect, in lieu of paying Assessments, to provide management and other services to the association or to contribute to the Association from time to time such funds as may be required to offset any Operating Deficit of the Association that exists after subtracting Common Expenses incurred during the year from Assessments and other revenues received during the year. "Operating Deficit" excludes any deficit remaining from a previous fiscal year or any deficit attributable to the creation of new contingency reserves or sinking funds during the fiscal year, unbudgeted property taxes or assessments, any uninsured loss or claim, or, in the event of an insured loss or claim, any deductible amount payable by the Association under the insuring policy. Unless the Declarant notifies the Association otherwise by March 1 of the applicable fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the preceding fiscal year.

#### 6.1.7. Notice and Payment of Assessments

##### 6.1.7.1. Notice.

Unless the Board of Directors elects a shorter payment period, Assessments shall be due on a calendar year basis in advance. Unless otherwise determined by the Board of Directors, the Association shall, by December 15, furnish to each Owner of a Unit a copy of the Budget for the forthcoming fiscal year and a statement of the amount of the Assessment payable by such Owner.

##### 6.1.7.2. Payment.

Unless otherwise expressly approved by the Board of Directors, Assessments shall be payable fourteen (14) days after notice of such Assessment shall have been given to the Owner in accordance with Section 6.1.7.1.

#### 6.1.8. Cap on Regular Assessments.

Until December 31, 2005, the maximum annual assessment shall be One Thousand Two Hundred and no/100 (\$1,200.00) Dollars per year.

(a) From and after December 31, 2005, the maximum annual assessment may be increased each year not more than 5% plus the prior year's consumer price index above the maximum assessment for the previous year without a vote of the ownership.

(b) From and after December 31, 2005, the maximum annual assessment may be increased above 5% plus the prior year's consumer price index by a vote of two-thirds of each class of owners who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Association shall fix the annual assessment at an amount not in excess of the maximum.

(d) The Board of Director's of the Association shall fix an annual assessment in an amount to pay for its annual operating costs.

#### 6.2. SPECIAL ASSESSMENTS

In addition to the regular Assessments authorized above, the Board of Directors may levy one or more Special Assessments that do not exceed Five Hundred Dollars (\$500.00) per Assessment during any fiscal year. The maximum Special Assessment shall be adjusted annually, however, in the same manner as for regular Assessments, as set forth above. In addition, the Board of Directors may levy one or more Special Assessments to cover the cost of any unbudgeted property taxes or assessments, any uninsured loss or claim, or, in the event of an insured loss or event, any deductible amount under the insuring policy. Any other Special Assessment levied by the Board of Directors shall have the approval of Units representing a majority of the Total Assessment Shares. Meetings of Owners for the special purpose of considering a Special Assessment for which Owners approval is required shall be held only after written notice by the Association to the Owners of the Units, in accordance with the notice procedure set forth in this Declaration. The notice shall state generally the purpose and amount of the proposed Special Assessment. The meeting shall occur no earlier than seven (7) days after the date that notice is deemed to be given. Owners may be represented at such meetings by written proxy, which proxy may be held by any Person. Special Assessments shall be allocated among Units in the same manner as other Assessments. Special Assessments shall be payable by the date determined by the Board of Directors, but no earlier than fourteen (14) days after notice of such Assessment shall have been given to the Owner in accordance with the notice procedure set forth in this Declaration.

### 6.3. EFFECT OF NON-PAYMENT OF ASSESSMENTS

Any Assessment that is not paid when due shall be delinquent. Unless waived by the Board of Directors, all delinquent Assessments shall incur an administrative charge of Ten Dollars (\$10.00) per month or any portion of any month from the date each such installment is due until such payment is received by the Association, in addition to any interest charges that may be payable. No Owner shall escape liability for the Assessments by non-use of the Common Area or abandonment of his Unit. Pursuant to policies of HUD and VA, however, it is not intended that failure to pay any Assessment shall be a default under the terms of any mortgage insured by HUD or VA.

### 6.4. CREATION OF LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS

Assessments, including Special Assessments, interest and charges thereon, and costs of collection thereof (including reasonable attorneys' fees and expenses) shall be (i) the joint and several personal obligation of the Person or Persons who was or were the Owner of such Unit at the time when the assessment fell due and, unless expressly agreed by the Board of Directors of the Association, also of any subsequent Owner, (ii) a charge on the Unit to which such assessments are applicable and (iii) a continuing lien upon each Unit in favor of the Association. To evidence a lien for sums assessed pursuant to this Section, the Association may prepare a written notice of lien setting forth the amount of the unpaid Assessment or Special Assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such notice shall be signed and acknowledged by a duly authorized officer of the Association or any Managing Agent of the Association and may be recorded in the office of the Register of Deeds for Richland County. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced as set forth in Section 8.4.

### 6.5. SUBORDINATION OF THE LIEN; MORTGAGEES

The lien of the Assessments provided for herein shall be subordinate to the lien of any unpaid taxes and any recorded first mortgage on the applicable Unit. Mortgagees shall have no responsibility for collecting assessments from Owners of Units. Sale or transfer of any Unit shall not affect the lien of the Assessments. However, the sale or transfer of any Unit that is subject to any recorded mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding or conveyance in lieu of foreclosure thereof, shall extinguish any lien for Assessments due prior to such sale or transfer. No sale or transfer shall relieve the Unit from liability for any Assessments later becoming due or from the lien thereof.

**6.6. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION**

Any delinquent Assessment that is not paid when due by an Owner to the Association shall be delinquent. Thereupon, the Association may enforce its rights as set forth in Section 8.5, and/or enforce and foreclose the lien against the delinquent Owner's Unit in the same manner in which a mortgage on real property may be foreclosed in the State of South Carolina. The Association shall have the right, but not the obligation, to bid in at any foreclosure sale, and, upon conveyance to the Association, thereafter hold, lease, mortgage, or convey the subject Unit.

**6.7. STATEMENT OF ACCOUNT**

Upon payment of a reasonable fee determined by the Board of Directors, and upon written request of any existing or prospective Owner, mortgagee, or lessee, the Association shall issue a written statement (which shall be conclusive upon the Association) setting forth the following:

- A. The amount of unpaid annual Assessment or Special Assessment, if any, applicable to such Unit.
- B. The amount of the current annual Assessment and any current Special Assessment and the date or dates upon which any payment thereof shall become due.
- C. The amount of any credit for advance payments of annual Assessments or Special Assessments.

**6.8. MECHANIC'S LIENS**

The Board of Directors may cause to be discharged any mechanic's lien or other encumbrance which in the opinion of the Board of Directors may constitute a lien against the Common Area. Where less than all of the Owners are responsible for the existence of said lien, the Owners responsible, as determined by the Board of Directors, shall be jointly and severally liable for the amount necessary to discharge the same, and for all related costs and expenses, including attorney's fees and court costs, incurred by reason of the lien.

**7. PARTY WALLS**

**7.1. GENERAL RULES OF LAWS TO APPLY**

Each wall which is built as a part of the original construction of the homes upon the properties and placed on the dividing line between the Lots shall constitute a party wall and to the

extent not inconsistent with the provisions of this Article, the general rules of laws regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

**7.2. SHARING OF REPAIR AND MAINTENANCE**

The cost of reasonable repair and maintenance of the party wall shall be shared by the owners who makes use of the wall in proportion to such use.

**7.3. DESTRUCTION BY FIRE OR OTHER CASUALTY**

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

**7.4. WEATHER PROOFING**

Notwithstanding any other provision of this Article, an Owner by his negligence or willful act causes a party wall to be exposed to elements shall bear the whole cost for furnishing the necessary protection against such elements.

**7.5. RIGHT TO CONTRIBUTION RUNS WITH LAND**

The Rights of any Owner to contribution from other Owner within the Article shall be appurtenant to the land and shall pass as such Owners, successors and title.

**8. ADDITIONAL EASEMENT**

**8.1. PLACEMENT OF HOME ON LOT**

Placement of the Home and its party walls and other improvements on each lot shall be approved by the ARB.

**8.2. WALL EASEMENT**

(a) There shall be reserved an easement on each lot between the exterior of the party wall and/or dwelling unit and the parallel lot boundary line for the use and enjoyment of the adjacent lot owner, only as hereinafter provided. The easement area may be used by an adjacent lot owner for the planting and caring of shrubbery and other landscaping, providing the same does not interfere with the structural integrity of the party wall and/or dwelling unit.

(b) A five foot (5') easement is reserved along the boundary line of each lot, opposite the boundary line along which the party wall is to be constructed, for the construction, maintenance and repair of the party wall and/or dwelling unit on the adjoining lot. The use of the easement by an adjoining lot owner shall not exceed a period of thirty (30) day each year for essential maintenance. Any shrubbery or planting in the five foot (5') easement that is removed or damaged by the adjoining lot owner during the construction, maintenance, or repair of his/her party wall and/or dwelling unit, shall be repaired or replaced at the expense of the adjoining lot owner causing such damage.

(c) No permanent structure other than those described in Section 3 shall be constructed in the five (5') foot side easement to allow access for maintenance for the party wall on the adjacent lot. However, trellis, decks, terraces, removable wooden fencing, landscaping, or other use which does not restrict the adjoining lot's utilization of the easement for maintenance purposes will be permitted in the easement.

### 8.3. ENCROACHMENTS.

The roof, eave, siding, gutters, electrical water/sewer, cable, and gas services and meters and any other attachment and/or fixture of one home may protrude beyond the boundary of its lot into the five foot (5') side easement area of the adjacent lot. This protrusion or encroachment shall be deemed to be included within said boundaries and there is hereby reserved an easement corresponding to the five foot (5") side easement to permit the construction of and continue the existing of any such protruding attachment and/or fixture. In particular, the encroaching roof shall be constructed with gutters to ensure that no excess of rainwater is discharged upon the adjoining lot.

### 8.4. EASEMENTS FOR UTILITIES AND DRAINAGE.

The Declarant reserves unto itself, its Successors and Assigns, a perpetual, unalienable and reasonable easement and right of ingress and egress, over, upon, across and under each lot and Common Areas for the erection, maintenance, installation, and use of electrical, telephone, radio and television transmission lines, wires, cables, conduits, sewer, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, radio, television, gas, sewer, water or other public convenience or utilities, including easement for privately owned television and other communications cable and equipment, and the Declarant may further cut drainways for surface water, including the use of buried drain pipe to discharge water from the roofs of the improvements, when such action may appear to the Declarant to be necessary in order to maintain reasonable standards of health, safety, and appearance. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other installation and to maintain reasonable standards of health, safety, and appearance. It further reserves the right to locate wells, pumping stations, and tanks within residential areas, on any walkway, or any residential lot designated for use on the applicable plat of the residential subdivision, or to locate same upon an adjacent lot with permission of the Owner of such adjacent lot. Such rights may be exercised by the licensee of the Declarant but this reservation shall not be considered an obligation of the Declarant to provide or maintain any such utility services. No structures, including walls, fencing, paving, or planting shall be erected upon any part of the property which will interfere with the rights of ingress and egress provided for in this paragraph; provided, however, that such easements and rights shall be restricted to the roads, streets, and easements as shown and designated on the applicable plat or plans of the Development; provided, however, that no easement shall be allowed to run under or through any permanent structure on any lot.

## **9. CONDEMNATION**

### 9.1. CONDEMNATION OF COMMON AREAS

If all or any part of the Common Area shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, the award or proceeds made or

collected for such taking or sale in lieu thereof shall be payable to the Association. If the portion of the Common Area so taken or conveyed was improved in any way, then the Association shall repair, rebuild, replace or renovate the improvements so taken, to the extent practicable, on the remaining lands included in the Common Area that are available, in accordance with plans approved by the Board of Directors. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and, in the opinion of the Board of Directors, such deficiency cannot or should not be funded from a reserve fund or regular Assessments, the Board of Directors may levy a special assessment against all Units in accordance with the procedure set forth herein.

## **10. GENERAL PROVISIONS**

### **10.1. AMENDMENTS BY ASSOCIATION**

Amendments to this Declaration, other than those corrective amendments authorized by Section 8.2 hereof, shall be approved by a majority of the Board of Directors and adopted by a vote of Units representing not less than two thirds (2/3) of the Total Assessment Shares. Written notice of the proposed amendment shall be given to the Board of Directors and shall contain a general description of the proposed amendment and the purpose of the proposed amendment. Upon approval of the proposed amendment by the Board of Directors, the proposed amendment shall be submitted to a vote of all Unit Owners, which vote may occur in any manner permitted by the Bylaws of the Association. No amendment that reasonably could be construed to impose a greater economic or legal burden on Declarant than exists under the then current provisions of this Declaration shall be valid unless it is approved, in writing, by Declarant, and no amendment of the Declaration that is contrary to this statement shall be valid.

### **10.2. CORRECTIVE AMENDMENTS BY DECLARANT**

Notwithstanding any other provision herein or in the Bylaws, Declarant may amend this Declaration without the consent of the Association, any Owner, or any mortgagee or lien holder if, in Declarant's opinion, such amendment is necessary to (i) bring any provision of the Declaration into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination that is in conflict with this Declaration; (ii) enable any reputable title insurance company to issue title insurance coverage with respect to any Units subject to this Declaration; (iii) enable any mortgagee to make mortgage loans on any Unit or other improvements subject to this Declaration; (iv) enable any private mortgage insurance company to provide or insure mortgages on the Units subject to this Declaration; (v) enable any insurer to provide insurance required by this Declaration; or (vi) clarify any provision of this Declaration or eliminate any conflict between provisions of this Declaration.

### **10.3. BINDING ARBITRATION**

The Owner and Association by acceptance of a deed agree that any dispute arising out of use, occupancy, ownership, of a Lot or on the Common Area or the enforcement of any covenant, condition, rule, or restriction or regulation and any complaint to the Declarant shall be settled by binding arbitration pursuant to the South Carolina Arbitration Act.

### **10.4. AMENDMENT OF BYLAWS**

Bylaws shall be amended as set forth in the Bylaws, provided that such amendments are consistent with this Declaration.

#### 10.5. ENFORCEMENT

Each Owner and all Persons constituting an Owner shall comply strictly with this Declaration, the Bylaws and the published rules and regulations of the Association adopted pursuant to this Declaration, as they may be lawfully amended from time to time. Failure to comply shall be grounds for imposing fines by the Association, and for instituting actions to recover sums due, for damages, and/or for injunctive relief or specific performance. Such actions shall be maintainable by the Association, the Declarant, or, in a proper case, by an aggrieved Owner. The Board of Directors shall have the right to initiate such action by the Association. Failure on the part of Declarant, the Association or any aggrieved Owner in exercising any right, power or remedy herein provided shall not be deemed a waiver of the right to enforce such right, power or remedy thereafter as to the same violation or breach, or as to any violation or breach occurring prior to subsequent thereto. These rights include, but are not limited to, suing to collect unpaid Assessments and/or fines. No right of action shall accrue in favor of nor shall any action be brought or maintained by any Person against Declarant or the Association for or on account of any failure to bring an action on account of any purported or threatened violation or breach by any Person of the provisions of this Declaration, the Bylaws or any rules and regulations of the Association.

#### 10.6. ATTORNEYS' FEES AND COSTS

In any suit or action brought by the Declarant or the Association to enforce any of the provisions of the Declaration or the Bylaws, the Declarant or the Association shall be entitled to recover from the Person(s) violating the Declaration or the Bylaws its costs, disbursements and reasonable attorneys' fees in such suit or action and any appeal thereof.

#### 10.7. DURATION

The provisions of this Declaration shall run with the land and be binding upon the title to the Property, shall be binding upon and inure to the benefit of all Owners, the Declarant, the Association, all mortgagees, and their respective heirs, executors, legal representatives, successors, and assigns, and successors in title, and shall be and remain in effect for a period of twenty (20) years from and after the date of the recording of this Declaration, provided any rights and easements that are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said twenty (20) year period, this Declaration shall be automatically renewed for unlimited successive ten (10) year periods, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if, during the last year of the initial twenty (20) period or the last year of any ten (10) year renewal period, Units representing at least seventy-five percent (75%) of the Total Assessment Shares, as defined in Section 6.1.4., vote to terminate this Declaration. If this Declaration is terminated, an instrument evidencing such termination shall be filed of record in the records of the Register of Deeds for Richland County and Lexington County, South Carolina, such instrument to contain a certificate wherein the President of the Association affirms that such termination was duly adopted by the requisite number of votes. No termination of this Declaration shall be enforceable or valid if the Declarant owns a Controlling Interest unless Declarant consents in writing to the termination.

#### 10.8. PERPETUITIES

If any of the covenants, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of President George W. Bush.

#### 10.9. INTERPRETATION

This Declaration shall be construed in accordance with the laws of the State of South Carolina. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The captions herein as to the contents of various portions of the Declaration are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular provisions to which they refer. The effective date of this Declaration shall be the date of its filing for record in the office of the Register of Deeds for Richland County, South Carolina.

#### 10.10. GENDER AND GRAMMAR

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships, limited liability companies or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

#### 10.11. SEVERABILITY

The rights, liabilities and obligations set forth herein shall attach to and run with the ownership of a Unit, and may not be severed or alienated from such ownership. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provisions that can reasonably be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

#### 10.12. RIGHTS OF THIRD PARTIES

This Declaration shall be recorded for the benefit of Declarant, Owners, the Association, and their mortgagees, and by such recording, no other Person, including any adjoining property owner, shall have any right, title or interest whatsoever in the Property except as expressly provided herein, or in the operation of the Association or the Common Area or in the enforcement of any of the provisions hereof, and subject to the rights of Declarant and mortgagees herein provided.

#### 10.13. NOTICE OF SALE, LEASE OR MORTGAGE

If an Owner sells, leases, mortgages, or otherwise disposes of any Unit, the transferring Owner shall promptly furnish to the Association, in writing, the name and address of such purchaser, lessee, mortgagee, or transferee.

10.14. NOTICES

Notices required hereunder shall be deemed given when in writing and delivered by (a) hand, (b) private or public carrier that provides written evidence of delivery, with delivery charges prepaid, (c) if within the United States, three (3) calendar days after being deposited in the United States Mail, First Class, postage prepaid, or (d) registered or certified mail, return receipt requested, postage prepaid, in which event receipt shall be the date the receipt is signed.

All notices to Owners shall be delivered or sent to such address as has been provided by proper notice, or if no address had been so specified, then at the address of any completed Residential Unit owned by such Owner or at the address then shown as that of the Owner on the property tax records.

All notices to the Association shall be delivered or sent in care of the Association at:

**The Courtyards at Salem Place Homeowners Association, Inc.**  
c/o The Courtyards at Salem Place, L.L.C.  
Post Office Box 21068  
Columbia, South Carolina 29221

or to such other address as the Association may from time to time specify by proper notice.

All notices to Declarant shall be delivered or sent in care of Declarant at:

c/o The Courtyards at Salem Place, L.L.C.  
Post Office Box 21068  
Columbia, SC 29221

or to such other address as Declarant may from time to time specify by proper notice.

All notices to mortgagees shall be delivered or sent to such addresses as such mortgagees specify by proper notice to the Association.

10.15. SUCCESSORS AND ASSIGNS

Except where expressly stated to the contrary and without the necessity of separately so stating at every reference herein, all provisions herein shall be binding upon and inure to the benefit of the Declarant, the Association, and Owners and their respective heirs, legal representatives, successors, assigns and successors in title.

**IN WITNESS WHEREOF**, the Declarant has executed this Declaration this \_\_\_\_ day of \_\_\_\_\_, 2005.

**The Courtyards at Salem Place, L.L.C.**

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

STATE OF SOUTH CAROLINA

**ACKNOWLEDGEMENT**

COUNTY OF RICHLAND

I, \_\_\_\_\_, the undersigned Notary Public for the State of South Carolina, do hereby certify that \_\_\_\_\_, as \_\_\_\_\_ (title) of The Courtyards at Salem Place, L.L.C. personally appeared before me this day and acknowledged the due execution of the foregoing Declaration.

Witness my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Notary Public for South Carolina

**(SEAL)**

My commission expires: \_\_\_\_\_