

DECLARATION OF COVENANTS, CONDITIONS,

RESTRICTIONS AND EASEMENTS FOR SALUDA RIVER CLUB

THIS DECLARATION is made this 4<sup>th</sup> day of March, 2008 by RCV Development, LLC a South Carolina limited liability company (hereinafter referred to as "Declarant").

WITNESSETH:

**WHEREAS**, Declarant is the owner of a certain real property lying and being in the County of Lexington, South Carolina, being developed as Saluda River Club, and desires to develop a Community which may be made up of Neighborhoods, if and when designated, and which may include common lands and facilities, for the sole use and benefit of each Owner of each Lot or Unit to be located in the Community or a Neighborhood, if and when designated.

**WHEREAS**, Declarant desires to provide for the preservation and enhancement of the property values it is developing in Saluda River Club and the Neighborhoods located therein, and for the maintenance of the Property (as hereinafter defined) and the improvements hereon, and to this end desires to subject the real property described in Exhibit A to the covenants, conditions, restrictions, and easements hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof, and

**WHEREAS**, Declarant has deemed it desirable, for the efficient preservation of the values in Saluda River Club, to create an agency to which should be delegated and assigned the powers of administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created, and

**WHEREAS**, Declarant has caused to be incorporated, under the laws of the State of South Carolina, the Saluda River Club Master Association, Inc. ("Association"), a non-profit company for the purpose of exercising such functions;

**NOW THEREFORE**, Declarant hereby declares that all of the real property described in Exhibit A is and shall be held, transferred, sold, mortgaged, conveyed, leased, occupied and used subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

## ARTICLE I. DEFINITIONS

1.01 "Area of Common Responsibility" shall mean the Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, or other applicable covenants, contracts, or agreements.

1.02 "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Saluda River Club Master Association, Inc., as the same may be amended from time to time.

1.03 "Association" shall mean and refer to the Saluda River Club Master Association, Inc., a South Carolina nonprofit corporation.

1.04 "Assessment" shall mean charges from time to time levied on all Lots and Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Lots and Units.

1.05 "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

1.06 "Builder" shall mean any Person engaged principally in the business of constructing for sale to homeowners single family residential dwellings to whom the Declarant sells or has sold one or more Lots for the purpose of constructing thereon a single family residential dwelling or Condominium Units.

1.07 "By-Laws of the Associations" or the "By-Laws" shall mean and refer to those By-Laws of the Saluda River Club Master Association, Inc. which govern the administration and operation of the Association, as the same may be amended from time to time.

1.08 "Common Area" shall mean all real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners, including, without limitation, entrance tracts, perimeter buffers, parks, surface water retention/detention tracts, landscape tracts, recreational facilities, and other tracts or parcels Declarant conveys to the Association. The term shall include the Limited Common Area, as defined below.

1.09 "Common Expenses" shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of this Declaration.

1.10 "Community" shall mean the master plan for Saluda River Club which represents the conceptual land plan for the future development of Saluda River Club. Since the concept of the future development of the undeveloped portions of the Community, including without limitation the Lots, Units, streets or road right-of-ways and any Common Area, are subject to continuing revision and change at the discretion of the developer of Saluda River Club, present and future references to the Community or master plan shall be references to the latest revision

thereof. THE DEVELOPER OF SALUDA RIVER CLUB SHALL NOT BE BOUND BY ANY MASTER PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY IN ITS SOLE DISCRETION AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN, DEVELOP OR NOT DEVELOP THE REMAINING UNDEVELOPED PROPERTY OR COMMON AREA OR AMENITIES SHOWN ON ANY MASTER PLAN.

1.11 "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Property. Such Standard may be more specifically determined by the Board of Directors and the SRCARB (as defined herein).

1.12 "Condominium Unit" or "Unit" shall mean each dwelling unit in a residential condominium as defined in the master deed for the horizontal property regime.

1.13 "Declaration" shall mean the covenants, restrictions, easements and all other provisions herein set forth in this entire document, as the same may be amended from time to time.

1.14 "Declarant" shall mean and refer to (i) RCV Development, LLC, a South Carolina limited liability company, or (ii) any successor-in-title or any successor in interest to RCV Development, LLC to all of the Property then subject to this Declaration and provided in the instrument of conveyance to any such successor-in-title or interest is expressly designated as the "Declarant" hereunder by the grantor of such conveyance, which grantor shall be the "Declarant" hereunder at the time of such conveyance.

1.15 "Dwelling" shall mean and refer to a single family home, garden home, patio home, townhouse, condominium unit, or apartment, if constructed in the Community.

1.16 "Limited Common Area" shall mean a portion of the Common Area primarily benefiting one or more, but less than all, Owners, as more particularly described in Article III.

1.17 "Lot" or "Lots" shall mean and refer to any parcel or tract of real property within the Property on the Plat other than the Common Area.

1.18 "Member" shall mean and refer to any person or entity which is a Member of the Association as defined in 4.01 below.

1.19 "Mortgage" shall mean and refer to a security deed, deed of trust, mortgage, installment land sales contract or other similar security instrument granting, creating or conveying a lien upon, a security interest in or a security title to a Lot or Unit.

1.20 "Owner" shall mean and refer to the record owner, whether one or more Persons, including Declarant, of a Unit or fee simple title to any Lot, or portion thereof, but excluding those persons having such an interest under a Mortgage.

1.21 "Neighborhood" shall mean and refer to any specific group of Lots, and/or Units and/or Common Area and/or streets and right-of-ways located within a Parcel identified as a distinct Neighborhood by the Declarant or the Association. The Members of any and all Neighborhoods are Members of the Association.

1.22 "Parcel" shall mean any portion of the Property subjected to this Declaration, for further division into smaller components, such as Neighborhoods, lots, condominium units, or similar type residential dwelling areas.

1.23 "Person" shall mean and refer to a natural person, corporation, partnership, association, trust or other legal entity, or any combination thereof.

1.24 "Plat" shall mean and refer collectively to those certain plats entitled (i) Bonded Plat Saluda River Club Phase 1-B prepared by BP Barber & Associates, Inc. S.C.P.L.S. NO. 10289, dated April 2, 2007, last revised January 2, 2008, a copy of which is recorded in the Register of Deeds Office for Lexington County, South Carolina in Record Book 12594 at Page 162, as the same may be amended from time to time, and (ii) Bonded Plat Saluda River Club Subdivision Phase 1-A prepared by BP Barber & Associates, Inc. S.C.P.L.S. NO. 10289, dated November 1, 2006, a copy of which is recorded in the Register of Deeds Office for Lexington County, South Carolina in Record Book 11642 at Page 69, as the same may be amended from time to time, and (iii) Bonded Plat Saluda River Club Subdivision Phase 3-A prepared by BP Barber & Associates, Inc. S.C.P.L.S. NO. 10289, dated October 10, 2007, last revised January 8, 2008, a copy of which is recorded in the Register of Deeds Office for Lexington County, South Carolina in Record Book 12598 at Page 324, as the same may be amended from time to time. The Plat shall be amended from time to time as additional Parcels are developed.

1.25 "Property" shall mean and refer to that tract or parcel of land described in Exhibit A attached hereto and by reference made a part hereof.

1.26 "Residential Purposes" shall mean and refer to a use and occupancy of a building as a long-term abode, dwelling or residence.

1.27 "Rules and Regulations" shall mean those standards governing use, administration, or operation of the Property that are issued by the Board of Directors pursuant to this Declaration.

1.28 "Saluda River Club Architectural Review Board" ("SRCARB") shall mean the committee appointed by the Board to administer architectural controls within the Property as provided in Article IX.

1.29 "Subordinate Association" shall mean an association of Owners within one or more Parcels, as defined or created by a Subordinate Declaration, to provide for the orderly control, administration, maintenance or management of those Parcels.

1.30 "Subordinate Declaration" shall mean any instrument or document, and any amendments thereto, which is filed of record with respect to a Parcel, and which creates an association of owners for such Parcel, and/or establishes covenants, conditions, easements, rules or restrictions with respect to the lots, dwelling units or structures within such Parcel.

1.31 "Structure" shall mean and refer to: (i) any thing or object, the placement of which upon any Lot may affect the appearance of such Lot (to include Units), including by way of illustration and no limitation, any building or part thereof, garage, porch, gazebo, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, tennis court, fence, curbing, paving, wall, tree, shrub, sign, signboard, satellite dish, mailbox, driveway, temporary or permanent living quarters or any other temporary or permanent improvement to such Lot, (ii) any excavation, grading, fill ditch, diversion dam or other thing, object or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects the natural flow of surface waters from, upon or across any artificial creek, stream, wash or drainage channel from, upon or across any artificial creek, stream, wash or drainage channel from, upon or across any Lot; and (iii) any change in grade at any point on a Lot of more than six (6) inches, whether or not subsection (ii) of this Section 1.31 applies to such change.

## ARTICLE II DEVELOPMENT

2.01 Development of Property. The Declarant plans to develop the Property in multiple stages involving different Neighborhoods subject to Subordinate Declarations and Subordinate Associations. Neighborhoods may contain different types of architectural designs, living units and dwellings. All Lots and Units within the Property shall be subject to the standards and restrictions set forth in this Declaration. Declarant shall have the right, but not the obligation, for so long as Declarant owns any Lot or Unit primarily for the purpose of sale, to make improvements and changes to the Common Area and to all Lots and Units owned by Declarant, including without limitation, (i) changes in the location of the boundaries of any Lots owned by the Declarant, (ii) installation and maintenance of any water or other utility systems and facilities, (iii) installation of security facilities, and (iv) entry landscaping and lighting.

2.02 Interest Subject to Plan of Development. Every purchaser of a Lot or Unit shall purchase such Lot and Unit and every Mortgagee and Lien holder holding an interest therein shall take title, or hold such security interest with respect thereto, with notice of this Article. Any provision of this Declaration to the contrary, notwithstanding, the provisions of this Article II may not be abrogated, modified, rescinded, supplemented or amended in whole or in part without the prior written consent of Declarant.

2.03 Plat. Declarant reserves the right to modify, amend, revise and add to the Plat, at any time and from time to time, setting forth such information as Declarant may deem necessary with regard to the property, including, without limitation, the locations and dimensions of the Lots, Units, Common Area, the roadways and alleys, utility systems, drainage systems, utility easements, drainage easements, access easements and building and set-back line restrictions.

### ARTICLE III PROPERTY RIGHTS

3.01 General. Each Lot shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration may be conveyed, transferred and encumbered the same as any other real property. Except as provided in Section 2.01 hereof, Lots shall not be subdivided and the boundaries between Lots shall not be relocated unless the relocation there of is made with the consent of the Board and of Declarant, so long as Declarant owns a Lot or Unit primarily for the purpose of sale. Each Lot and Unit in the Property shall be subject to those easements, if any, which are shown on the Plat, as amended, as affecting such Lot or Unit.

3.02 Easements for Declarant. Declarant hereby reserves for itself, its successors and assigns, the following easements and rights-of-way in, on, over, under or through any portion of the Property owned by Declarant and the Common Area for so long as Declarant owns any Lot or Unit primarily for the purpose of sale:

- a) For the erection, installation, construction and maintenance of wires, lines and conduits, and necessary or proper attachments in connection with the transmission of electricity, gas, water, irrigation, telephone, community antenna, television cables and other utilities;
- b) For the construction of improvements on the Lots;
- c) For the installation, construction and maintenance of storm-water drains and structures both open and closed (to include swales), and for any other public or quasi-public utility facility;
- d) For the maintenance and use of a sales office and parking spaces in connection with its efforts to market Lots and Units;
- e) For the maintenance and use of such other facilities, equipment, and signs as in the sole discretion of Declarant may be reasonably required, convenient or incidental to the completion, improvement and sale of Lots and Units or the developing of Lots and Units; and
- f) For the location of signs, entrances, landscaping, sprinklers, fences and other improvements related to the Common Area.

3.03 Easements for Association. There is hereby reserved a general right and perpetual easement for the benefit of the Association, its directors, officers, agents and employees, including but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot or Unit or any portion thereof (including that portion of each Lot designated for utility easements as shown on the Plat) in the performance of their respective duties and responsibilities. Said easement shall include, but not be limited to, the right to enter upon the Lots or Units (i) to perform the maintenance responsibilities of the

Association set forth in Section 5.01 hereof, and (ii) for emergency, security and safety reasons, which right may also be exercised by all policemen, firemen, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during reasonable hours and then, whenever practicable, only upon reasonable advance notice to the Owner of the Lot or Unit directly affected thereby.

3.04 Easements for Owners. Subject to the provisions herein, every Member of the Association shall have a right and easement of use and enjoyment in and to the Common Area (including, without limitation, the right of pedestrian and vehicular access, ingress and egress over those portions of the Common Area from time to time designated for such purposes), and the right of use of all streets, roadways and utility easements as shown on the Plat (until such time such streets or roadways are conveyed to the appropriate governmental authority), which rights and easement(s) shall be appurtenant to and shall pass with the title to every Lot and Unit. Such rights and easement(s) are subject to the right of the Association, acting through the Board, to:

- a) adopt and publish rules and regulations governing the use of the Common Area,
- b) suspend an Owner's voting rights for any period during which any assessment of the Association against said Owner's Lot or Unit remains unpaid;
- c) grant easements or rights of way on, over, across and through the Common Area to any public agency, authority or utility or to any utility company or cable television system; and
- d) dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Owners and Declarant, if Declarant owns a Lot primarily for the purpose of sale agreeing to such dedication or transfer, has been recorded in the records of Lexington County, South Carolina.

3.05 Title to Roadways and Other Common Areas. Declarant may from time to time convey to the Association, at no expense to the Association, real and personal property for the common use and enjoyment of the Owners including the roadways shown on the Plat. The Association hereby covenants and agrees to accept from Declarant all such conveyances of roadways, drainage systems, open space and other real and personal property. Upon acceptance of the roadways, drainage systems, open space and other real and personal property, the Association agrees to be responsible for permanent maintenance of the roadways, drainage systems and open space. Notwithstanding any legal presumption to the contrary, the fee simple title to such real and personal property designated as Common Area or for public use, together with all rights therein, shall be reserved to the Declarant until such time as such real and personal property is conveyed to the Association or to any municipality or other governmental body, agency, or authority.

3.06 Limited Common Areas. Certain portions of the Common Area may be designated as Limited Common Area and reserved for the exclusive use or primary benefit of all or any Owners. All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Area shall be allocated among the Owners to which the Limited Common Areas are assigned. Limited Common Area shall be designated as such in a Subordinate Declaration, the deed conveying such area to the Association, or on a recorded plat; provided, any such assignment shall not preclude Declarant from later assigning use of the same Limited Common Area to additional Lots or Units, so long as Declarant has a right to annex property pursuant to Section 12.02.

#### ARTICLE IV. MEMBERSHIP

4.01 Membership. Every Owner shall be deemed a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Unit, and ownership of a Lot or Unit or portion thereof, including an interest in a horizontal property regime, shall be the sole qualification for such membership. In the event that fee title to a Lot or Unit is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee. The foregoing is not intended to include Mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one Member for each Lot or Unit. When more than one person holds an interest in any Lot or Unit, the vote for such Lot or Unit shall be exercised as the Owners of such Lot or Unit themselves determine. The vote appurtenant to such Lot or Unit shall be suspended in the event more than one person seeks to exercise it. The voting weight appurtenant to each Lot or Unit is as set forth in this Article IV.

4.02 Voting Rights. The Association shall have two (2) types of regular voting membership. Members are divided into classes for the sole purpose of computing voting rights and assessment obligations and shall in no event vote as a class.

(i) "Class A Members" shall be all Members, with the exception of Declarant, and shall be entitled to one (1) vote for each Lot or Unit owned.

(ii) "Class B Members" shall be the Declarant who shall be entitled to five (5) votes for each Lot or Unit owned.

The Class B membership shall terminate upon the happening of the earlier of the following:

(i) One year after one hundred percent (100%) of the Lots and Units are no longer owned by Declarant; or

(ii) When, in its discretion, Declarant declares in a recorded instrument.



4.03 Initiation Fee. Upon the initial sale of a Lot or Unit by the Declarant (if initial sale is to a Builder, then upon the subsequent sale of the Lot or Unit by the Builder), the purchaser of such Lot or Unit shall pay to the Association a non-refundable initiation fee in the amount of \$1,000.00 at the time of closing on the Lot or Unit. Said initiation fee shall be used by the Association in such manner as the Board sees fit in its sole discretion, including but not limited to payment of Common Expenses or establishing capital reserves.

## ARTICLE V. MAINTENANCE

5.01 Responsibilities of Owners Unless specifically identified herein as being the responsibility of the Association, all maintenance and repair of Lots or Units, together with all other improvements thereon or therein, shall be the responsibility of the Owner of such Lot or Unit. Each Owner shall be responsible for maintaining his or its Lot or Unit in a neat, clean and sanitary condition, and such responsibility shall include but not be limited to the maintenance and care of all exterior surfaces of all improvements, buildings and other structures located on the Lot, and all landscaping (unless otherwise provided). As provided in Section 5.02(b) hereof, each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining or cleaning any item which is the responsibility of such Owner but which responsibility such Owner fails or refuses to discharge. No Owner shall decorate, change or otherwise alter the appearance of any portion of the exterior of his residence or the landscaping, grounds or other improvements within a Lot or Unit unless such decoration, change or alteration is first approved, in writing, by the Declarant or SRCARB as provided in Article IX hereof, or do any work which, in the reasonable opinion of the Declarant or SRCARB, would jeopardize the soundness and safety of the Property, reduce the value thereof or impair any easement or hereditament thereto, without in every such case obtaining the prior written approval of the Declarant or SRCARB.

### 5.02 Responsibilities of Association.

a) Except as may be herein otherwise specifically provided, the Association shall maintain, landscape and keep in good repair, as the case may be: (i) all portions of the Common Area and improvements thereon, if any (ii) all sign monuments, all lighting and irrigation facilities and equipment, if any, located within the Common Area or located within any utility easement or landscape easement (which may be shown on the Plat) and serving only the Property, and (iii) all utility lines, facilities and equipment located within the Common Area or located within any utility easement or landscape easement as shown on the Plat and serving the Property, if such utility lines, facilities and equipment are not maintained by a public authority, public service district, public or private utility or other person. The Association shall not be liable for injury or damage to any person or property caused by the Common Area elements or by any Owner or any other person. No diminution or abatement of assessments for any Owner shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this

Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of each Owner.

b) In the event that Declarant or the Association determines that: (i) any Owner has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning repair or replacement of items for which he or it is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, tenants, guests or invitees, then in either event, Declarant or the Association, except in the event of an emergency situation, shall give such Owner written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have ten (10) calendar days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair or replacement is not capable of completion within said ten (10) calendar day period, to commence said maintenance, cleaning, repair or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of such Owner, and said cost shall be added to and become a part of the assessment to which such Owner and his Lot or Unit are subject and shall be collected as provided for herein for the collection of assessments. In the event that Declarant undertakes such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

## ARTICLE VI INSURANCE AND CASUALTY LOSSES

### 6.01 Insurance.

a) The Board or its duly authorized agents shall have the authority to and may obtain adequate property insurance upon the Common Area, in such form as the Board deems appropriate, for the benefit of the Association insuring all insurable improvements against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard.

b) The Board or its duly authorized agents shall have the authority to and may obtain a public liability policy covering all damage or injury caused by the negligence of the Association, its members, its directors and officers, or any of its agents, and if available, at reasonable cost (in the sole discretion of the Board), a blanket fidelity bond or employee's dishonesty coverage for all officers, directors, employees and agents of the Association and all other persons handling or responsible for funds of the Association. Such public liability policy and bond shall provide such coverage's as are determined to be necessary by the Board.

c) The Board or its duly authorized agents shall have the authority to and may obtain (i) workers compensation insurance to the extent necessary to comply with any applicable laws, and (ii) such other types and amounts of insurance as may be determined by the Board to be necessary and desirable.

d) All such insurance coverage obtained by the Board shall be written in the name of the Association as trustee for each of the Owners and the costs of all such coverage shall be a Common Expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Common Area shall be vested in the Board.

6.02 Damage or Destruction to Improvements. Immediately after the damage or destruction by fire or other casualty to all or any part of the Common Area, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in Article VI, means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the fire or other casualty. The Association shall restore or replace such damaged improvements. If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board may levy a special assessment against all Owners, without the necessity of a vote pursuant to Section 8.04 hereof, for such excess cost of repair or reconstruction. Such a special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied, and additional assessments may be made at any time during or following the completion of any repair or reconstruction. Any and all sums paid to the Association under and by virtue of such assessments shall be held by and for the benefit of the Association together with the insurance proceeds, if any for such damage or destruction. Such insurance proceeds and assessments shall be disbursed by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the Association.

6.03 Mortgagee Rights. The rights of the Board and the Association to adjust losses under any property insurance policies insuring improvements constructed on any of the Common Area and to apply proceeds there from for the restoration and repair of such improvements shall be subject to the rights of any first priority mortgagee of the Common Area

to adjust losses, receive insurance proceeds and, at such mortgagee's option, to apply such proceeds to the secured indebtedness owing to such mortgagee or to the restoration and repair of improvements under such conditions and safeguards as such mortgagee may deem appropriate.

## ARTICLE VII ADMINISTRATION

7.01 Control of Association. This Declaration, the By-laws or the Articles of Incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Owners. Declarant shall have the right to appoint and remove all members of the Board and any officer or officers of the Association until such time as the first of the following events shall occur: (i) one year after the date as of which the last Lot or Unit in the Property shall have been conveyed to a Person other than Declarant or a builder, or (ii) the surrender by Declarant of the authority to appoint and remove directors and officers of the Association by an express amendment to this Declaration executed and recorded by Declarant. Members of the Board appointed by the Declarant are not required to be Owners or Members of the Association. Each Owner, by acceptance of a deed to or other conveyance of a Lot or Unit, vests in Declarant such authority to appoint and remove directors and officers of the Association as provided by this section 7.01 and Section 12.01 below.

7.02 Duties and Powers. The duties and powers of the Association shall be those set forth in the provisions of the Official Code of South Carolina relating to nonprofit companies, this Declaration, the By-Laws and the Articles of Incorporation, together with those reasonably implied to effect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the Official Code of South Carolina, this Declaration, the Articles of Incorporation and the By-Laws, in that order shall prevail, and each owner of a Lot or Unit, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, together with every other right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

7.03 Rules and Regulations. The Association, through its Board, may make and enforce reasonable rules and regulations governing the use of the Lots, Units and the Common Area, which rules and regulations shall be consistent with the rights and duties established by this Declaration.

Each Owner, by acceptance of a deed, acknowledges and agrees that the use, enjoyment, and marketability of his or her Lot or Unit may be affected by the Rules and Regulations, that the Rules and Regulations may change from time to time, and that such changes may not be set out in a recorded instrument. All purchasers of Lots and Units are on notice that the Association may have adopted changes to the Rules and Regulations.

## ARTICLE VIII ASSESSMENTS

8.01 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and in particular for the acquisition, improvement and maintenance of Property, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to, management fees, administration expenses, utility charges, insurance premiums, general maintenance and landscaping, repair costs, replacement costs, any deficit remaining from a previous period or failure of refusal of Owners to pay assessments, wages and personnel expenses for Association employee's, taxes, miscellaneous expenses, the costs of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area; the operation, maintenance and repair of the Common Area (and any improvements located thereon); the maintenance of water and sewer mains in and upon the Common Area; the maintenance of open spaces and streets which have not been accepted for dedication by a public authority, roadway medians and islands (including medians and islands located in dedicated rights-of-way), drives and parking areas within the Common Area; the procurement and maintenance of insurance in accordance with the By-Laws; the maintenance of any "sign easement" or "landscape easement" areas located on any Lot or adjacent property(s); the maintenance of any subdivision monuments, entranceways, landscaping and lighting of Common Area, road medians, and islands and entranceways, the lighting of streets (whether public or private); the maintenance of stormwater drainage improvements; the payment of charges for garbage collection and municipal water and sewer services furnished to the Common Area; the costs associated with duties of the architectural review; the employment of attorneys and other agents to represent the Association when necessary; the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, any other major expense for which the Association is responsible; any principle and interest payments for debts of the Association, establishment of reserve funds and such other needs as may arise.

8.02 Creation of Lien and Personal Obligation of Assessments. Each Owner of a Lot or Unit, other than Declarant, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association: (a) annual assessments, such assessments to be established and collected as provided in Section 8.03 hereof, and (b) special assessments, such assessments to be established and collected as provided in Section 8.04 hereof, and (c) individual or

specific assessments against any particular Lot or Unit which are established pursuant to the terms of this Declaration, including, but not limited to fines as may be imposed against such Lot or Unit in accordance with Article XI hereof. Any such assessments, together with late charges, simple interest at the rate of twenty-one percent (21%) per annum, and court costs and attorney's fees incurred to enforce or collect such assessments, shall be an equitable charge and a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with late charges, interest, court costs and attorneys fees, shall also be the personal obligation of the person who was the Owner of such Lot or Unit at the time when the assessment fell due. Assessments shall be paid in such manner and on such dates as may be fixed by the Board.

8.03 Computation of Annual Assessments. It shall be the duty of the Board at least thirty (30) days prior to the Association's fiscal year end to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The Board shall cause the budget and the proposed total of the annual assessments to be levied against Lots and Units for the following year to be delivered to each other at least fifteen (15) days prior to the annual meeting. The total annual assessments shall be divided among the Lots and Units located within the Property. In any given year, all Lots and Units shall be subject to equal annual assessments. The budget and the annual assessments shall become effective upon approval by the Board unless disapproved at the annual meeting by (i) Declarant, for so long as Declarant has the authority to appoint and remove directors and officers of the Association, or (ii) after the termination of the Class B Membership, upon the a majority of the votes of all Owners of the Lots and Units in the Property. In the event that proposed budget is disapproved or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual assessments in effect for the then current year shall continue for the succeeding year. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a special assessment as provided in Section 8.04 hereof.

8.04 Special Assessments. In addition to the annual assessments authorized above, the Association, acting through the Board, may levy, in any assessment year, special assessments for Common Expenses or capital improvements, applicable to that year only, provided that except as otherwise permitted in Section 6.02 hereof, any such assessment shall be approved by Declarant, for so long as Declarant owns any Lot or Unit primarily for the purpose of sale. The Board may make such special assessments payable in installments over a period which may, in the Boards discretion, extend in excess of the fiscal year in which adopted. Such special assessments are to be prorated among all the Lots and Units within the Property.

8.05 Individual Assessments. Any expenses of the Association occasioned solely by the conduct of less than all of the Owners may be specifically assessed against such Owners and their respective Lots or Units. The individual assessments provided for in this Section 8.05 shall be levied by the Board and the amount and due date of such assessments shall be as specified by the Board. Notwithstanding anything to the contrary contained herein,

Neighborhoods or Subordinate Associations may assess Lots or Units located within their Neighborhood for costs and expenses specifically related to such Lots or Units ("Neighborhood Assessment"), and, at the Neighborhood or Subordinate Association's election, may provide such assessment information to the Board who shall levy and collect the Neighborhood Assessment pursuant to the provisions of this Declaration. The Neighborhood Assessment shall be held in a separate reserve account for the benefit of the Neighborhood or Subordinate Association, and distributed and/or released at the written direction/authorization of the Neighborhood or Subordinate Association.

8.06 Notice of Meeting. Written notice specifying the place, day and hour of the meeting of the Members, and, in the case of a special meeting, also specifying the purposes of each meeting and the description of the matter for which the meeting was called, shall be given by, including the Declarant, any fair and reasonable manner.

8.07 Liens. All sums assessed against any Lot or Unit pursuant to this Declaration, together with court costs, reasonable attorneys' fees, late charges, and interest as provided herein, shall be secured by an equitable charge and continuing lien on such Lot or Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot or Unit except only for (i) liens of ad valorem taxes, and (ii) liens for all sums unpaid on a first priority Mortgage or on any Mortgage to Declarant, or its affiliates, successors or assigns, and all amounts advanced pursuant to any such Mortgage and secured thereby in accordance with the terms of such instrument. Sale or transfer of a Lot or Unit shall not affect the continuing encumbrance of the assessment lien. Notwithstanding the foregoing to the contrary, the subordination of the assessment lien to the lien of first priority Mortgages shall only apply to such assessments which have become due and payable prior to a foreclosure. Any mortgagee who acquires title to a Lot or Unit by foreclosure shall be liable for assessments thereafter becoming due. All other persons acquiring liens or encumbrances on any Lot or Unit shall be deemed to consent that such liens or encumbrances shall be inferior to such future liens for assessments as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens or encumbrances.

8.08 Effect of Nonpayment: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. Any assessment delinquent for a period of more than (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time and shall also commence to accrue simple interest at the rate of twenty-one (21%) percent per annum. A lien and equitable charge as herein provided for each assessment shall attach simultaneous as the same shall become due and payable, and if an assessment has not been paid within (30) days, the entire unpaid balance of the assessment may be accelerated at the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such assessment shall include the late charge established by the Board, interest on the principal amount due at the rate of twenty-one (21%) per annum, all costs of collection (including reasonable attorneys fees and court costs), and any other amounts provided or permitted hereunder by law. In the event that the assessment remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien.

The equitable charge and lien provided for in this Article shall be in favor of the Association, and each Owner, by his acceptance of a deed or other conveyance to a Lot or Unit, vest in the Association and its agents the right and power to bring all actions against him personally for the collection of such assessments as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The Association shall have the power to bid on the lot or unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein, including by way of illustration but not limitation, non-use of the Common Area, abandonment of his lot or unit by renunciation of membership in the Association, and all Owners shall remain personally liable for assessments, interest and late charges which accrue prior to a sale, transfer or other conveyance of their Lot or Unit to a subsequent Owner.

8.09 Certificate. The Association shall, within ten (10) days of a written request and upon payment of such fee as is from time to time determined by the Board, furnish to any Owner, purchaser from such Owner, or such Owner's Mortgagee which request the same, a certificate in writing signed by the Association or manager setting forth whether the assessments for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, accrued interest and other penalty charges. Such certificate shall be conclusive evidence against all but such Owner of payment of any assessments stated therein to have been paid.

8.10 Date of Commencement of Annual Assessments. The annual assessment provided for herein shall commence as to each Lot or Unit on the day on which such Lot or Unit is conveyed to a Person other than Declarant or Builder and shall be due and payable in such manner and on such schedule as the Board may provide. Annual assessments and any outstanding special assessments shall be adjusted for each Lot or Unit according to the number of months then remaining in the then fiscal year of the Association.

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

8.12 Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of South Carolina shall be exempt from the assessments created herein. All property owned by the Declarant, Builder or the Association, at the Declarant's election, shall be exempt for the assessments created herein.

8.13 Capitalization of Association. Upon acquisition of record title to a Lot or Unit by an Owner other than Declarant or Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-half (1/2) of the annual assessment in effect at the time of the purchase of the Lot or Unit. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment



of such assessment. This amount shall be used by the Association for use in covering operating expense and other expense incurred by the Association pursuant to this Declaration.

8.14 Effect of Default in Payment of Ad Valorem Taxes or Assessment for Public Improvements by Association. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot or Unit shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots and Units in the Property. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot or Unit of the Owner in favor of the Association.

## ARTICLE IX ARCHITECTURAL STANDARDS

9.01 General. No structure or thing shall be placed, erected, or installed upon any Lot and no improvement or other work (including staking, clearing, excavation, grading, and other site work, exterior alterations of existing improvements, or planting or removing landscaping) shall take place within the Property until the requirements of this Article have been fully met, and until the approval of the Declarant or SRCARB has been obtained pursuant to Section 9.02 below. This Article shall not apply to the activities of the Declarant.

9.02 Architectural Review. Until 100% of the Lots and Units have been conveyed, Declarant shall have exclusive authority to administer and enforce architectural controls under this Article and to review and act upon all applications for new construction and landscaping, and modifications to existing improvements within the Property. There shall be no surrender or delegation of this authority prior to that time except in a recorded instrument which has been executed by Declarant. Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder. In reviewing and acting upon any request for approval, Declarant or its designee shall act solely in Declarant's interest and shall owe no duty to any other Person.

Declarant may from time to time delegate or assign all or any portion of its rights under this Article to any other Person or committee, including the architectural review boards for Subordinate Declarations and/or Neighborhoods. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

Upon the expiration, surrender, or delegation of all or any of Declarant's authority, the Board shall appoint the SRCARB, the members of which shall thereafter serve and may be removed in the Board's discretion. SRCARB Members need not be Members of the

Association. Such Members may, but need not, include architects, engineers, or other similar professionals. The SRCARB shall have no rights or authority until Declarant's authority under this Article expires, or is delegated and assigned. Any delegation of authority is subject to the conditions set forth above.

Notwithstanding anything to the contrary contained herein, if an architectural review Board is created pursuant to a Subordinate Declaration and/or Subordinate Association for a specific Neighborhood ("Subordinate ARB"), then the Subordinate ARB shall be the authority to administer and enforce architectural controls under this Article and/or any Subordinate Declaration, and under such circumstances, all references to the SRBARB herein shall mean the Subordinate ARB as it pertains to matters regarding the specific Neighborhood. The Subordinate ARB shall have no rights or authority until Declarant's authority under this Article expires, or it delegated and assigned.

Any person desiring to make any improvement, alteration or change described in Section 9.01 above shall submit the plans and specifications therefore which plan shall include but are not limited to the following:

- (i) a site plan showing the location of all proposed and existing structures on the Lot including building setbacks, open space, driveways and walkways (this shall specifically include the location of any satellite dish or disk as allowed under Article X, Section 10.02) and any trees to be removed;
- (ii) a floor plan;
- (iii) exterior elevations of all proposed structures and alterations to existing structures, as such structures will appear after all backfilling and landscaping are completed;
- (iv) specifications of materials, color scheme, lighting schemes and other details affecting the exterior appearance of all proposed structures and alterations to existing structures;
- (v) plans for grading, drainage, soil and erosion control; and
- (vi) plans for landscaping; and
- (vii) written acknowledgement by Owner of the NPDES permit requirements, and Owner's consent to become co-permittee on any NPDES permit regarding the Property.

The plans and specifications shall be submitted to the Declarant or SRCARB which shall evaluate such plans and specifications in light of the purpose of this Article. There shall be a review fee charged for such review.

Upon approval, any plans and specifications submitted pursuant to this Declaration, copy of such plans and specifications, as approved, shall be deposited for permanent record with the Declarant or SRCARB and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Lot or Unit of any plans and specifications shall not be deemed a waiver of the Declarant or SRCARB's right, in its discretion, to disapprove similar plans and specifications of any of the features or elements are subsequently submitted for use in connection with any other Lot or Unit.

Approval of such plans and specifications relating to any Lot or Unit, however, shall be final as to that Lot or Unit. The Declarant or SRCARB shall approve or disapprove plans submitted to it, or shall request additional information reasonable required by the review procedures within thirty (30) days after submission of the plans to the Declarant or SRCARB.

Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of a Unit or the interior structure on a Lot, or to paint the interior of a structure any color desired; provided, modifications or alterations to the interior of screened porches, patios and similar portions of a structure visible from outside the structure shall require the prior written approval by the Declarant or SRCARB.

9.03 Right to Inspect. Any member of the Board, the Declarant, the SRCARB, or its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property to inspect for the purpose of ascertaining whether or not there exists any Structure which violates the terms of any approval by the Declarant or committee or SRCARB of the terms of this Declaration. Such Person or Persons shall not be deemed guilty of trespass by reasons of such entry. The Association is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the event it becomes necessary to resort to litigation to determine the propriety of any improvements, or to remove any unapproved Structure (or part thereof), the prevailing party in such litigation shall be entitled to recover all court costs, expenses and reasonable attorney fees in connection therewith.

9.04 No Waiver of Future Approvals. The approval of the Declarant or SRCARB of any proposal or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Declarant or SRCARB, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawing, or matters whatever subsequently or additionally submitted for approval or consent.

9.05 Variance. The Declarant or SRCARB may authorize variances from compliance with any of its guidelines and procedures due to circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations. Such variances shall be granted only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) preclude or obligate the Declarant or SRCARB from denying or allowing a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

9.06 Compliance With Guidelines. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the review procedure as set forth herein or as promulgated by the Declarant may be excluded by the Board from the Property without liability to the Association, SRCARB, or Declarant. The Board shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the Declarant or the SRCARB. Any party that deviates from the

approved plans and specifications, or fails to comply with any guidelines set forth by the Board, the Declarant or the SRCARB shall be subject to a fine(s) as determined by the Board, the Declarant or the SRCARB, and such fine(s) shall be secured by an equitable charge and continuing lien on the Lot or Unit in favor of the Association.

9.07 No Liability

a) General. Review and approval of any application pursuant to this Declaration is made on the basis of aesthetic considerations only and the Declarant or SRCARB shall not bear any responsibility of ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, the SRCARB, or Members shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot.

b) Encroachment. An encroachment of any structure on a Lot into a right-of-way of the Common Area must be authorized by the Declarant. If the encroachment is damaged by work within utility easement areas such damages shall be the responsibility of the Owner and the Owner shall indemnify and hold harmless Declarant and the SRCARB.

ARTICLE X USE RESTRICTIONS

10.01 Use of Lots and Units. Each Lot or Unit shall be used for residential purposes only and no trade or business of any kind may be carried on therein. The use of a portion of a residence as an office by an Owner or his tenant shall not be considered to be a violation of this covenant if such use does not create a nuisance. The use of a residence or a portion thereof for business meetings, entertainment or the enjoyment or business of the Owner's employees, trustees, agents, clients or customers shall not be considered to be a violation of this covenant if such does not create regular customer, client or employee traffic or otherwise create a nuisance.

10.02 Antennas. No television antenna, radio receiver, satellite dish or other similar device shall be attached to or installed on any Lot or Unit unless smaller than three feet (3') in diameter and either contained entirely within the interior of a building or other structure or shielded from the view of surrounding Owners. No radio or television signals, nor any other form of electromagnetic radiation shall be permitted to originate from any Lot or Unit which may unreasonably interfere with the reception of television or radio signals within the Property, provided, however, that Declarant and the Association shall not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio or other similar systems within the Property.

10.03 Water Wells. No private water wells may be drilled or maintained on any Lot.

10.04 Pets. No animals, livestock, birds or poultry of any kind shall be raised, bred or kept by any Owner upon any portion of the Property, provided that generally recognized common domesticated household pets may be kept in residences, subject to rules and regulations adopted by the Association, through its Board, and further provided that such pet or pets are kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. Pets shall be under leash and voice control at all times when walked or exercised outside of all fenced areas on a Lot. Each Owner of a pet(s) is responsible for cleaning up any mess created by the pet(s) within any Lot or Common Area. The Board may require any pet to be immediately and permanently removed from the Property due to a violation of this Section.

10.05 Nuisances. No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon the Lots, in the Units or any other portion of the Property, nor shall any nuisance or odors be permitted to exist or operate upon or arise from the Lots, Units or any other portion of the Property, so as to render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using or occupying any other Lots, Units or portions of the Property. Noxious or offensive activities shall not be carried on in any Lot or Unit and each Owner, his/her family, tenants, guests, invitees, servants and agents shall refrain from any act of use of a Lot or Unit which could cause disorderly, unsightly or unkempt conditions, or which could cause embarrassment, discomfort, annoyance or nuisance to the occupants of other portions of the Property or which would be in violation of any law or governmental code or regulation.

10.06 Motor Vehicles, Trailers, Boats, Etc. All automobiles owned or used by Owners or other temporary guests and visitors shall be parked behind the primary home or in designated parking areas. No vehicles may be parked on any Common Area temporarily or permanently without the consent of the Declarant or the Association. Other than in designated parking areas, no overnight parking is permitted on any streets, lawns, or other areas other than driveways and garages, without the consent of the Board. All vehicles parked within the Property must be in good condition and repair, and no vehicle which does not contain a current license plate or which cannot operate on its own power shall be parked within the Property outside of an enclosed garage for more than 24 hours. No unsafe parking shall be allowed on any streets in the Saluda River Club, and the Declarant or the Board may in its sole discretion determine what is unsafe and issue rules to control on and off-street parking. The Board shall have the authority to promulgate rules and regulations to govern or prohibit the outside storage or parking upon any Lot of any motor home, tractor, truck (other than pick-up trucks), commercial vehicles of any type, school bus, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorcycle, motorized bicycle, motorized go cart, ATV, or any other transportation devices. Furthermore, although not expressly prohibited hereby, the Board may at any time prohibit mobile homes, motor homes, campers, trailers of any kind, motorcycles, motorized bicycles, motorized go carts and other similar vehicles, or any of them, from being kept, placed, stored, maintained or operated upon any portion of the Property if in the opinion of the Board such prohibition shall be in the best interests of the Property.

10.07 Sales and Construction Activities. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant, any Builder and their respective agents, employees, successors and assigns to maintain and carry on within the Property such facilities and activities as may be reasonably required, convenient or incidental to the completion, improvement and sale of Lots, Units or the developing installation and operation of sales and construction trailers and offices, signs and model residences. The right to maintain and carry on such facilities and activities shall include specifically the right to set-up residences as model residences, and to set-up any residence as an office for the sale of Lots or Units and for related activities.

10.08 Fences. No fence or wall of any kind shall be erected, maintained or altered on any Lot by and Owner, other than Declarant, without the prior written approval of the Declarant or SRCARB.

10.09 Signs. No signs whatsoever (including but not limited to commercial and similar signs as well as signs of contractors performing work on existing residences or signs to advertise the property for sale) shall, without the Declarant or SRCARB's prior written approval of plans and specifications thereof, be installed, altered or maintained on any Lot or Unit, or on any portion of a Structure or motor vehicle visible from the exterior thereof.

10.10 Garage Sales. Any and all garage sales are prohibited unless such sale is (i) approved in advance in writing by the Master Association, and (ii) is a Community sponsored sale located in a centralized location as approved by the Master Association.

10.11 Garbage Cans, Tanks, Etc. All garbage cans, above-ground storage tanks, mechanical equipment including, without limitation, electrical meters, gas meters and air conditioning compressors, and other similar items on Lots shall be located or screened so as to be concealed from view of any streets. All garbage cans shall be removed from the curb within 24 hours of garbage pick-up.

10.12 Clotheslines and Outside Clothes Drying. No clotheslines or clothespoles shall be erected, and no outside clothes-drying is permitted, except where such activity is advised or mandated by governmental authorities for energy conservation purposes. All clotheslines and clothespoles shall be located or positioned on Lots so as to be screened and concealed from view of any streets.

10.13 Exterior Structures. No artificial vegetation, exterior sculptures, fountains or similar items shall be constructed, place or maintained on any Lot without the prior written approval of the Declarant or SRCARB.

10.14 Construction Improvements. Construction of all Dwellings on a Lot shall be completed within twelve (12) months of the commencement date of said construction unless the Declarant or SRCARB has contractually waived this Owner obligation in writing. If any Dwelling is not completed within twelve (12) months of the commencement date of said construction, the Association, its employees and agents, shall have the right to fine the Owner of the Lot in an amount not to exceed \$100 for each day the Dwelling has not been substantially completed (for

the purposes of this Article, substantial completion shall mean the issuance of a certificate of occupancy by the governing authority), and the liability for the payment of any fines shall constitute an equitable charge and continuing lien upon the Lot enforceable by the Association in the same manner as other liens for the improvement of real property or by any other appropriate proceeding in law or in equity.

10.15 Zoning and Private Restrictions. None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, or by the laws, rules or regulations of any governmental body. In the event of any conflict between such laws, rules or regulations and the covenants, restrictions and easements created or imposed by this Declaration, the more restrictive provision shall govern and control.

10.16 Property Lot Boundary. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable property and zoning regulations.

10.17 Tree Removal. No trees shall be removed, except for safety reasons, unless approved in accordance with Article IX of this Declaration. In the event of an intentional or unintentional violation of this Section, the violator may be required, by the committee having jurisdiction, to replace the removed tree with one (1) or more trees of such size and number, and in such locations, as the Declarant or SRCARB may determine in its sole discretion.

10.18 Grading and Drainage. No Owner or any other person shall do anything to adversely affect the surface water management and drainage of the Lot and Property, without the prior written approval of the Declarant or SRCARB and any controlling government authority, including, but not limited to, the excavation or filing of any Lot provided the foregoing shall not be deemed to prohibit or restrict the initial construction of Structures upon the Property by the Declarant in accordance with permits issued by controlling government authorities. In particular, no Owner shall install landscaping or place any fill dirt on the Owner's Lot which would adversely affect the drainage of any contiguous Lot or dwelling, nor shall the any Owner disturb any riparian buffers, to include but not limited to those riparian buffers as shown on the Plat.

10.19 Damage and Destruction. In the event any Structure is damaged by casualty or for any other reason, the Owner of the Structure shall repair and restore the damaged Structure as soon as is reasonably practical to the same condition that the Structure was in prior to such damage or destruction, unless otherwise approved by the Declarant or SRCARB.

## ARTICLE XI. ENFORCEMENT

11.01 Enforcement. Each Owner shall comply strictly with this Declaration, the By-Laws and the published rules and regulations of the Association adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and in the deed or other instrument of conveyance to his lot or unit, if any. Failure to comply with any of the same shall be grounds for imposing fines, for suspending voting rights or for instituting and action to recover sums due, for damages and/or for injunctive relief, such actions to be maintainable by Declarant, the Board, or, in a proper case, by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any branch thereof may not adequately be compensated by recovery of damages and that Declarant, the Association or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation or breach. No delay, failure or omission on the part of Declarant, the Association or any aggrieved Owner in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall 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 a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Declarant or Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person of the provisions of this Declaration, the By-Laws or any rules and regulations of the Association, however long continued.

11.02 Self-Help. In addition to any other remedies provided for herein, the Declarant and the Association or its duly authorized agents shall have the power to enter into a Unit or upon a Lot to abate or remove, using such force as may be reasonably necessary, any erection, thing, structure, or condition which violates this Declaration, the By-Laws, the rules and regulations and the use restrictions. Unless an emergency situation exists, the Board shall give the violating Owner ten (10) days written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorneys' fees, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.



## ARTICLE XII. GENERAL PROVISIONS

12.01 Control by Declarant. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION OR IN THE BY-LAWS OF THE ASSOCIATION, Declarant shall have the right to appoint and remove all members of the Board of the Association as provided by and for the term set forth in Section 7.01 hereof. Every grantee of any interest in the Property, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove directors and officers of the Association in accordance with the foregoing provisions of this Section 12.01 and the provisions of Section 7.01 hereof. Upon the expiration of the Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of Section 7.01 and this Section 12.01, such right shall pass to the Owners, including Declarant if Declarant then owns one or more Lots or Units, and a special meeting of the Association shall be called within reasonable time thereafter. At such special meeting the Owners shall elect a new board which shall undertake the responsibilities of the Board, and Declarant shall deliver all books, accounts and records, if any, which Declarant has kept on the behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

12.02 Amendments by Declarant. During the period in which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may unilaterally amend this Declaration by an instrument in writing filed and recorded in the records of the Office of the Register of Deeds of Lexington County, South Carolina, without the approval of any Owner or mortgagee; provided, however, that (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his Lot or Unit as set forth in this Declaration or adversely affects the title to any Lot or Unit, such amendment shall be valid only upon the written consent thereto by a majority vote of the then existing Owners affected thereby, or (ii) in the event that such amendment would materially and adversely affect the interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected. Any amendment made pursuant to this Section 12.02 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot or a Unit, agrees to be bound by such amendments as are permitted by this Section 12.02 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Property (A) if such amendment is necessary to bring any provisions of any applicable governmental statute, rule, or regulation or any judicial determination which shall be in conflict therewith, (B) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots or Units subject to this Declaration, (C) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such improvements subject to this Declaration, or

(D) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the Lots, Units or other improvements subject to this Declaration.

12.03 Amendments by Association. Amendments to this Declaration, other than those authorized by Section 12.02 hereof, shall be proposed and adopted in the following manner:

a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each member of the Association.

b) At such meeting, a resolution adopting the proposed amendment may be proposed either by the Board or by the members of the Association. Such amendment must be approved by the Owners holding at least two-thirds of the total votes in the Associations; Provided, however, (i) that any amendment which materially and adversely affects the interest of any Mortgagee must be approved by such Mortgagee, and (ii) during any period in which Declarant owns a Lot or Unit primarily for the purpose of sale, such amendment is subject to approval by Declarant.

c) The agreement of the required percentage of the Owners and, where required, Declarant and any Mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment or, in the alternative, the sworn statement of the President of the Association attached to or incorporated in the amendment executed by the Association which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

12.04 Annexation by Declarant. Lands which are adjacent to the Property (hereinafter referred to as "Additional Land") may be annexed by the Declarant without the consent of Members within ten (10) years of the date of this instrument. Provided, however, that should Declarant elect to improve and develop all or part of the Additional Land, Declarant shall have the right to impose upon the Additional Land supplemental covenants and restrictions which are not substantially different from those contained herein. Notwithstanding anything contained herein which might otherwise be interpreted to produce a contrary result, this Declaration does not create any charge, lien or other encumbrance or restriction on any part of the Additional Land, or affect in any way the title thereto or any part thereof, nor does this Declaration create an obligation upon Declarant to improve and develop all or any portion of the Additional Land, or further improve and/or expand the Common Area (and any improvements located thereon) of the Property upon any annexation of Additional Land.

12.05 Duration. The provisions of this Declaration shall run with and bind title to the Property, shall be binding upon and inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, legal representatives, successors and assigns, 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 that rights and easements which are stated herein to have a longer duration shall have such longer duration, after which time they shall be automatically extended for

successive periods of ten (10) years unless during the last year of such initial or then current renewal term the Owners of seventy-five percent (75%) of the Lots and Units agree in writing to terminate this Declaration.

12.06 Interpretation. 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 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 provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for the record in the records of the Register of Deeds of Lexington County, South Carolina. The captions of each Article and Section hereof as to the contents of each Article and Section hereof 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 Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of South Carolina.

12.07 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 or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

12.08 Severability. 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 provisions 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 provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

12.09 Rights of Third Parties. This Declaration shall be recorded for the benefit of Declarant, the Owners and their Mortgagees as herein provided, and by such recording, no adjoining property owners or third party shall have any right, title or interest whatsoever in the Property or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and subject to the rights of Declarant and Mortgagees as herein provided, the owners all have the right to extend, modify, amend or otherwise change the provisions of this Declaration without the consent, permission or approval of any adjoining owner or third party.

12.10 No Trespass. Whenever the Association, Declarant, the SRCARB, and their respective successors, assigns, agents or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve or do any other action within any portion of the Property, the entering thereon and the taking of such action shall not be deemed to be a trespass.

12.11 Notices. Notices required hereunder shall be in writing and shall be delivered by hand or sent by United States mail, postage prepaid. All notices to owners shall be delivered or

sent to such address as have been designated in writing to the Association, or if no address has been so designated, at the address of such Owners' respective Lots or Units. Notices sent by United States Mail shall be deemed effective on the third day after mailing. Notices delivered in person shall be effective on the date of delivery. All notices to the Association shall be delivered or sent in care of Declarant at 1213 Lady Street, 3<sup>rd</sup> Floor, Columbia, South Carolina 29201 or to such other address as the Association may from time to time notify the Owners. All notices to Declarant shall be delivered or sent to Declarant at the above address or to such other address as Declarant may from time to time notify the Association. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association.

12.12 No Liability. Declarant has, using best efforts and all due diligence, prepared and recorded this Declaration so that each and every Owner shall have the right and the power to enforce the terms and provisions of this Declaration against every other Owners. However, in the event that this Declaration is, for any reason whatsoever, unenforceable by an Owner (or any other person) in a court of law or otherwise, Declarant shall have no liability of any kind as a result of such unenforceability, and each and every Owners, by acceptance of a deed conveying a Lot or Unit, acknowledges that Declarant shall have no such liability.

12.13 Agreements. All agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in the Property or the privilege of possession and enjoyment of any part of the Property, except that no such agreements shall be binding as to the Declarant without the written consent of the Declarant.

12.14 Variances. Notwithstanding anything to the contrary contained herein the Board, and Declarant for so long as Declarant has the right to appoint and remove all members of the Board of the Association and any officer or officers of the Association as set forth in Section 7.01 hereof, shall be authorized to grant individual variances from any of the provisions of this Declaration or the By-Laws, except the provisions of Article VIII of the Declaration regarding assessments, if it determines that waiver of application or enforcement of the provisions in a particular case would not be inconsistent with the overall scheme of development for the Property.

12.15 Security. NOTWITHSTANDING ANY PRIVACY WALL AND/OR FENCE SERVING THE PROPERTY, DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES WITH REGARD TO THE EFFICACY OF SUCH STRUCTURES FROM A SAFETY OR SECURITY STANDPOINT. EACH OWNERS, OCCUPANT, GUEST OR INVITEE, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTAND THAT THE DECLARANT IS NOT AN INSURER AND THAT EACH OWNERS, OCCUPANT, GUEST AND INVITEE ASSUMES ALL RISKS OF PERSONAL INJURY AND PROPERTY DAMAGE.

12.16 Stormwater Management and Sediment Control. **THE TOTAL RESPONSIBILITY FOR AND COST OF COMPLIANCE WITH THIS SECTION OF THE DECLARATION SHALL BE THAT OF THE OWNER OF THE LOT, EXCEPT WHERE BY**

DIRECT CONTRACTUAL RELATIONSHIP WITH THE DECLARANT, THAT RESPONSIBILITY SHALL BE ASSUMED BY AN INDIVIDUAL OR ENTITY, SUCH AS A BUILDER, WHO HAS EXECUTED AN AGREEMENT FOR THE PURCHASE OF THE LOT. THE DECLARANT, OR THE ASSOCIATION, SHALL HAVE AS REMEDIES FOR NON-COMPLIANCE, THE LEVYING OF ASSESSMENTS FOR NONCOMPLIANCE AGAINST THAT LOT, THE AUTHORITY TO ENTER THE LOT AND TAKE APPROPRIATE ACTION TO REMEDY THE VIOLATION OR THE AUTHORITY TO BRING LEGAL ACTION TO FORCE THE OWNER OF THE LOT TO COMPLY WITH THE TERMS SET OUT HEREIN. IN THE EVENT THAT THE DECLARANT OR THE ASSOCIATION TAKES SUCH ACTION TO ASSURE COMPLIANCE, AS WITH OTHER VIOLATIONS OF THE DECLARATION, ALL COSTS INCURRED BY THE DECLARANT OR THE ASSOCIATION RELATED TO BRINGING THE LOT INTO COMPLIANCE SHALL BE THAT OF THE LOT OWNER AND COLLECTABLE BY THE DECLARANT FROM THE LOT OWNER OR IF BY THE ASSOCIATION, SHALL BE MADE A PART OF THE ASSOCIATION'S CONTINUING LIEN ON THE LOT.

ALL GRADING, DURING AND AFTER CONSTRUCTION. SHALL AT ALL TIMES BE PERFORMED IN ACCORDANCE WITH (A) ANY APPLICABLE PORTIONS OF THE STORM WATER MANAGEMENT PLAN, OR ANY SEDIMENT AND EROSION CONTROL PLAN, GRADING AND DRAINAGE PLAN, POLLUTION PREVENTION PLAN OR ANY OTHER APPLICABLE PLAN ON FILE WITH THE DECLARANT OR FILED WITH ANY APPLICABLE GOVERNMENTAL AGENCY OR AUTHORITY FOR THE COMMUNITY AND THE BUILDINGS TO BE CONSTRUCTED WITHIN THE COMMUNITY, WHICH CONFORMS TO REGULATIONS PROMULGATED BY THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL AND/OR (B) ANY OTHER APPLICABLE LEGISLATION, LAW, STATUTE OR ORDINANCE GOVERNING THE CONTROL OF DRAINAGE. IT SHALL AT ALL TIMES BE THE RESPONSIBILITY OF THE OWNER OR CO-OWNER OF THE LOT OR, IN THE CASE OF THE CONTRACTUAL TRANSFER OF THE RESPONSIBILITY FOR COMPLIANCE DIRECTLY FROM THE DECLARANT TO AN INDIVIDUAL OR ENTITY, THAT INDIVIDUAL OR ENTITY, TO REQUEST AND REVIEW ALL SUCH APPLICABLE PLANS. UNLESS SUCH A REQUEST IS MADE BY SAID LOT OWNER, CO-OWNER, INDIVIDUAL OR ENTITY, FAILURE ON THE PART OF THE DECLARANT TO SUPPLY THAT LOT OWNER, CO-OWNER, INDIVIDUAL OR ENTITY WITH COPIES OF THE APPLICABLE PLANS SHALL NOT BE A DEFENSE FOR NON-COMPLIANCE OR RELEASE OF RESPONSIBILITY ON THE PART OF THAT LOT OWNER, CO-OWNER, BUILDER, INDIVIDUAL OR ENTITY. ANY LOT OWNER, CO-OWNER, INCLUDING BUILDERS, OR BUILDER, BY ACCEPTANCE OF THE DEED TO A LOT, AND AT ALL TIMES THEREAFTER, SHALL HAVE BEEN DEEMED TO HAVE AGREED TO AND ACCEPTED THE RESPONSIBILITY ESTABLISHED BY A CO-PERMITTEE AGREEMENT AND TO HAVE ASSUMED THE RESPONSIBILITIES OF A CO-PERMITTEE AND BE BOUND TO THE ABOVE MENTIONED PLANS AND INDEMNIFY AND HOLD THE DECLARANT, THE ASSOCIATION AND THE AUTHORITY HARMLESS FROM ANY AND ALL DEVIATIONS BY THE LOT OWNER, CO-OWNER, OR THEIR BUILDER FROM THAT PLAN OR FROM THE LOT OWNER'S, CO-OWNER'S OR BUILDER'S FAILURE TO COMPLY WITH ANY

APPLICABLE LEGISLATION, LAWS, STATUTES OR ORDINANCES, WHETHER SUCH LANGUAGE IS INCLUDED IN THAT DEED, CONTRACT, OR ACCEPTANCE OR ASSIGNMENT DOCUMENT OR WHETHER THEY HAVE EXECUTED A "CO-PERMITTEE AGREEMENT" OR NOT.

ALL GRADING, TEMPORARY AND PERMANENT, SHALL BE PERFORMED IN A MANNER TO ALLOW FOR PROPER DRAINAGE, TO PROPERLY MANAGE THE FLOW OF STORM WATER RUN-OFF AND TO CONTROL EROSION. DURING AND AFTER CONSTRUCTION, OWNER (AND DURING CONSTRUCTION, OWNER'S BUILDING CONTRACTOR) SHALL BE RESPONSIBLE FOR MAINTAINING ALL GRADING AND SURFACE DRAINAGE SO THAT SURFACE RUN-OFF GRADING WILL NEITHER CAUSE THE DAMMING OF WATER OR EXCESSIVE RUN-OFF TO OCCUR OR SEDIMENT LOSS TO WASH ONTO OR ACCUMULATE ON ADJACENT LOTS, OR OTHER ADJACENT PROPERTIES, INTO BODIES OF WATER, OR ONTO THE STREETS OF THE COMMUNITY OR INTO THE STORM DRAINAGE SYSTEM, NOR SHALL IT ADVERSELY AFFECT ANY ADJOINING LOT OR PROPERTIES, ANY STRUCTURE(S) ON THAT OWNER'S LOT OR ON OTHER PROPERTIES OR ANY PORTION OF ANY ADJOINING LOT OR OTHER PROPERTIES, THE STREETS OF THE COMMUNITY, THE STORM DRAINAGE SYSTEM OR ANY BODY OF WATER. OWNER AND OWNER'S BUILDING CONTRACTOR SHALL PROVIDE RIP-RAP, GRAVEL EXITS, WATER BARS, BERMS, SEDIMENT FENCES, HYDROSEEDING AND SOD, OR OTHER FORMS OF EROSION CONTROL AS MAY BE REQUIRED BY THE DECLARANT OR AUTHORITY OR ANY GOVERNMENTAL AGENCY.

OWNER (AND OWNER'S BUILDING CONTRACTOR UPON COMPLETION OF CONSTRUCTION) SHALL INSURE THAT THE GRADE OF THE LOT, AND ANY ADJUSTMENT TO THAT GRADE THEREAFTER, DOES NOT CAUSE THE DEPTH OF ANY UTILITIES INSTALLED UPON THE LOT TO BE REDUCED TO LESS THAN THE STANDARD SET FORTH BY THE UTILITY PROVIDER OR ANY APPLICABLE CODE, STATUTE OR LAW, WHICHEVER MAY BE DEEPER.

MINOR DRAINAGE, DEFINED AS DRAINAGE AFFECTING MORE THAN ONE LOT THAT IS NOT ACCEPTED FOR MAINTENANCE BY ANY COUNTY OR MUNICIPALITY OR OTHER LIKE ENTITY, SHALL BE MAINTAINED BY THE ASSOCIATION. PROVIDED, HOWEVER, THAT IN THE EVENT THAT AN OWNER NEGLECTS OR FAILS TO KEEP THE MINOR DRAINAGE LOCATED ON THEIR LOT FREE AND CLEAR OF OBSTRUCTIONS OR BLOCKAGE, OR IF AN OWNER SHALL DAMAGE OR DESTROY THE MINOR DRAINAGE ON THEIR LOT, THE DECLARANT OR THE ASSOCIATION MAY IN ADDITION TO ANY OTHER REMEDY, ENTER THE LOT AND CLEAR ANY OBSTRUCTION OF AND REPAIR ANY DAMAGE TO THE MINOR DRAINAGE STRUCTURES ON THE LOT. THE DETERMINATION AS TO WHETHER AN OWNER HAS NEGLECTED OR FAILED TO KEEP THE MINOR DRAINAGE LOCATED ON THE LOT FREE AND CLEAR OF OBSTRUCTIONS OR BLOCKAGE OR HAS DAMAGED OR DESTROYED THE MINOR DRAINAGE STRUCTURES ON THE LOT SHALL BE MADE BY THE DECLARANT OR THE BOARD OF DIRECTORS OF THE ASSOCIATION, OR BY AN ENTITY AUTHORIZED TO DO SO BY THE DECLARANT OR THE BOARD OF DIRECTORS OF THE ASSOCIATION, IN ITS SOLE

DISCRETION. IN THE EVENT THAT THE ASSOCIATION DETERMINES THAT THE NEED FOR MAINTENANCE, REPAIR OR REPLACEMENT OF THE MINOR DRAINAGE, WHICH IS THE RESPONSIBILITY OF THE ASSOCIATION HEREUNDER, IS CAUSED THROUGH THE WILLFUL OR NEGLIGENT ACT OF AN OWNER, OR THE FAMILY, GUESTS, EMPLOYEES, LESSEES, OR INVITEE(S) OF ANY OWNER, THEN THE ASSOCIATION MAY PERFORM SUCH MAINTENANCE, REPAIR OR REPLACEMENT AT SUCH OWNER'S SOLE COST AND EXPENSE, AND ALL COSTS THEREOF, TOGETHER WITH ANY ASSESSMENTS FOR NON-COMPLIANCE LEVIED BY THE ASSOCIATION FOR NON-COMPLIANCE AND ALL COSTS OF THE COLLECTION SHALL BE ADDED TO AND BECOME A PART OF THE ASSESSMENT TO WHICH SUCH OWNER IS SUBJECT AND SHALL BECOME A LIEN AGAINST THE LOT OF SUCH OWNER. EACH OWNER IS RESPONSIBLE FOR THE ACTIONS OF AND THE COMPLIANCE WITH THESE DOCUMENTS AND THE REGULATIONS BY THE FAMILY, GUESTS, LESSEES, EMPLOYEES OR INVITEE(S) OF THAT OWNER AND SHALL FURTHER BE RESPONSIBLE FOR THE PAYMENT OF ANY ASSESSMENTS LEVIED FOR THAT NON-COMPLIANCE AND ALL COSTS ASSOCIATED THERETO.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed in its name under seals, as of the day and year first above written.

WITNESSES:

DECLARANT

RCV DEVELOPMENT, LLC, a South Carolina limited liability company

By: W. H. Thaus

Its: President

B. Walton Toney Jr.  
Jennifer Albert

STATE OF SOUTH CAROLINA

#### ACKNOWLEDGEMENT

COUNTY OF RICHLAND

I, Jennifer Albert, do hereby certify that RCV Development, LLC,  
by: William H. Thaus its: President appeared before me this  
day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this the 4<sup>th</sup> day of March, 2008.

Jennifer Albert  
Notary Public for South Carolina

My Commission expires: 8/26/13  
(NOTARY SEAL)

CONSENT AND JOINDER OF LENDER

WHEREAS, RVC Development, LLC executed that certain Mortgage and Security Agreement ("Mortgage") dated September 27, 2007, and recorded October 2, 2007 in Record Book 12375 at Page 310 in the Lexington County Register of Deeds to secure the payment of a loan to The National Bank of South Carolina ("Lender"), which Mortgage is a lien on the Property; and

WHEREAS, Lender has agreed to consent to the provisions of the this Declaration of Covenants, Conditions, Restrictions and Easements for Saluda River Club ("Declaration") to subordinate the lien of the Mortgage to the provisions of the Declaration;

NOW, THEREFORE, Lender, by joining herein, hereby:

1. Consents to the execution, delivery and recording of the Declaration;
2. Subordinates the lien of the Mortgage to the provisions of the Declaration with the same effect as if the Declaration had been executed, delivered and recorded prior to the execution, delivery and recording of such Mortgage; and
3. Agrees, notwithstanding the foreclosure of the Mortgage (or conveyance in lieu thereof) that the Declaration and all rights therein described shall continue unabated, in full force and effect.

Executed this 4<sup>th</sup> day of March, 2008.

WITNESS:

LENDER:

The National Bank of South Carolina  
By Jessie Ford  
Its Senior Vice President

Karen A. McKern

Debra S. Teague

STATE OF SOUTH CAROLINA

ACKNOWLEDGEMENT

COUNTY OF Ridgeland  
I, Debbie Teague do hereby certify that Jessie Ford by its  
duly authorized officer, appeared before me this day and acknowledged the due execution of the foregoing  
instrument.

Witness my hand and seal this the 4<sup>th</sup> day of March, 2008.

Debra S. Teague

Notary Public for South Carolina

My Commission expires: 8-7-10  
(NOTARY SEAL)



## EXHIBIT A

(Phase 3-A, Phase 1-A and Phase 1-B of the Saluda River Club)

All that certain piece, parcel or tract of land, situate, lying and being in the County of Lexington, State of South Carolina, known and designated as Phase 1-B, total area approximately 19.420 acres (including all right-of-ways and common areas and alleys) as shown on a plat prepared for River Club Development, LLC by BP Barber dated April 2, 2007, last revised January 2, 2008 and recorded in the Office of the Register of Deeds for Lexington County in Record Book 12594 at Page 162. Said tract of land having such size, shape, dimensions, buttings and boundings more or less, as will more fully appear by reference to the aforesaid plat.

AND

All that certain piece, parcel or tract of land, situate, lying and being in the County of Lexington, State of South Carolina, known and designated as Phase 1-A, total area 4.051 acres (including all right-of-ways and common areas) as shown on a plat prepared for River Club Development, LLC by BP Barber dated November 1, 2006 and recorded in the Office of the Register of Deeds for Lexington County in Record Book 11642 at Page 69. Said tract of land having such size, shape, dimensions, buttings and boundings, more or less, as will more fully appear by reference to the aforesaid plat.

AND

All that certain piece, parcel or tract of land, situate, lying and being in the County of Lexington, State of South Carolina, known and designated as Phase 3-A, total area approximately 21.254 acres (including all common area(s) and right-of-ways, pump station and pond parcel) as shown on a plat prepared for RVC Development, LLC by BP Barber dated October 10, 2007, last revised January 8, 2008 and recorded in the Office of the Register of Deeds for Lexington County in Record Book 12598 at Page 324. Said tract of land having such size, shape, dimensions, buttings and boundings, more or less, as will more fully appear by reference to the aforesaid plat.