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**DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR**

CYPRESS POINT – PHASE 2

Aiken County, South Carolina

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10 ET SEQ., CODE OF LAWS OF SOUTH CAROLINA, 1976 (AS AMENDED) OR IF IT IS DEEMED NOT TO APPLY, PURSUANT TO THE FEDERAL ARBITRATION ACT, TITLE 9, SECTION 1 ET SEQ. UNITED STATES CODE (AS AMENDED).

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EXHIBIT “A”: LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT “B”: BYLAWS OF CYPRESS POINT HOMEOWNERS ASSOCIATION OF AIKEN, INC.

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10 ET SEQ., CODE OF LAWS OF SOUTH CAROLINA, 1976 (AS AMENDED) OR IF IT IS DEEMED NOT TO APPLY, PURSUANT TO THE FEDERAL ARBITRATION ACT, TITLE 9, SECTION 1 ET SEQ. UNITED STATES CODE (AS AMENDED).

**DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR CYPRESS POINT – PHASE 2**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR CYPRESS POINT – PHASE 2 (this “Declaration”) is made on this 31 day of January, 2024 by KD OWNER 2 LLC, a Delaware limited liability company (the “Declarant”). 2025

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property located in Aiken County, South Carolina described in Exhibit “A” hereof and incorporated herein by this reference;

WHEREAS, the Declarant intends to develop a single-family residential subdivision on the Property (as hereinafter defined) to be known as “Cypress Point – Phase 2” (the “Subdivision”);

WHEREAS, the Declarant desires to provide open spaces and other facilities for the benefit of the persons who shall reside on the Lots (as that term is hereinafter defined); and

WHEREAS, in order to ensure the enjoyment of such open spaces and other facilities by the residents of the said Lots, and in order to protect and enhance the value of the said Lots, it is desirable to create an association to own, maintain and administer such open spaces and other facilities, and to administer and enforce the covenants and restrictions imposed by this Declaration on the individually owned properties, and to collect, hold and disburse the charges and assessments provided for in this Declaration; and

WHEREAS, it is intended that every owner of any of the said Lots automatically, and by reason of such ownership and this Declaration, become a member of the aforesaid association and be subject to its valid rules and regulations and the assessments and charges made by such association.

NOW, THEREFORE, the Declarant, for itself, its successors and assigns, does hereby declare as follows:

**ARTICLE I
DEFINITIONS**

As used in this Declaration, the following terms shall have the meanings ascribed to them in this Article I, such definitions being cumulative of those set forth elsewhere in this Declaration.

“**Annual Assessment**” shall have the meaning specified in Section 4 of Article V, and shall constitute the assessments which, pursuant to the provisions of Article V, shall be levied by the Association against the Lots each year for the purpose of raising the funds necessary to pay the Annual Expenses (as that term is defined in Section 3 of Article V).

“**Articles of Incorporation**” shall mean the Articles of Incorporation of the Association, as the same may be amended from time to time.

“**Association**” shall mean Cypress Point Homeowners Association of Aiken, Inc., a South Carolina non-profit membership corporation.

“**Association Property**” shall mean all of the real and personal property which shall be conveyed and transferred to the Association pursuant to Section 1 of Article III of this Declaration. Notwithstanding the foregoing, the Association Property shall not include any Lot which shall be acquired by the Association through foreclosure of the lien in favor of the Association, as provided for in Article V of this Declaration.

“**Board of Directors**” shall mean the Board of Directors of the Association.

“**Bylaws**” shall mean the Bylaws of the Association, as the same may be amended from time to time. The Bylaws of the Association, as of the date hereof, are attached to this Declaration as Exhibit “B” hereto.

“**Community-Wide Standard**” shall mean the standard of conduct, maintenance or other activity generally prevailing in the Subdivision, or as such standard may be determined by the Board of Directors and articulated in the Architectural Guidelines established pursuant to Article VI hereof.

“**Declarant**” shall mean KD Owner 2 LLC, a Delaware limited liability company, and shall include any successor or assign of KD Owner 2 LLC, a Delaware limited liability company (other than an individual acquiring the only Lot then owned by the Declarant) who shall acquire the entire interest in the Property which was owned by the immediate predecessor-in-title of such successor or assign. Any or all rights of the Declarant set forth in this Declaration, the Articles of Incorporation or the Bylaws, may be transferred or assigned in whole or in part to other Persons; provided, however, that no such transfer or assignment shall be effective unless it is contained in a written instrument signed by declarant and recorded in the Office of the RMC for Aiken County, South Carolina.

“**Declaration**” shall mean this Declaration of Covenants, Conditions, Restrictions and Easements for Cypress Point Subdivision – Phase 2 as the same may be amended from time-to-time in accordance with Article XI hereof.

“Foreclosure Administration Fee” shall mean a fee assessed to the purchaser of a Home at foreclosure or deed in lieu thereof as more particularly described in Section 7 of Article V hereof.

“First Mortgage” shall mean a Mortgage conveying a first priority lien upon or security title to any Lot.

“Home” shall mean the residence constructed on any Lot.

“Initiation Assessment” shall have the meaning set forth in Section 6 of Article V hereof.

“Lot” or Lots shall mean the separately numbered lots in the Subdivision depicted on a recorded Subdivision Plat. All Lots referred to by number herein are references to the specific Lots as numbered for identification purposes on the Subdivision Plat. The term “Lot” includes any Home constructed thereon.

“Mortgage” shall mean a mortgage or other instrument conveying a lien upon or security title to the property.

“Property” shall mean the entirety of the real property described on Exhibit “A”, hereto attached and made a part hereof, together with such additional property located within one (1) mile of the exterior boundary of the original real property that Declarant may acquire and subject to this Declaration from time-to-time, and amend Exhibit “A” to include, in accordance with the procedures set forth in Article XI, Section 1.

“Person” shall mean a natural person, corporation, trust, partnership or any other legal entity.

“Rules and Regulations” shall mean rules and regulations promulgated by the Association regarding the use of the Lots, the Association Property or any other portion of the Property as more particularly described in Article IV, Section 1.

“Special Assessments” shall have the meaning set forth in Article V, Section 5.

“Specific Assessments” shall have the meaning set forth in Article IV, Section 4.

“Subdivision Plats” shall mean: (i) the plat captioned “Cypress Point Phase 2” prepared by William R. Gore, PLS (S.C. Land Survey No. 11811) on behalf of William R. Gore Professional Land Surveyors, Inc., dated August 8, 2024, and recorded on January 31, 2025, in Plat Book 116, Page 134, in the Office of the RMC for Aiken County, South Carolina; and (ii) any subsequent recorded plats of the Subdivision, as each may be amended and recorded in the office of the RMC for Aiken County, South Carolina.

All pronouns used in this Declaration are intended to be gender neutral, and the use of the masculine gender shall be deemed to include the feminine and neuter genders.

ARTICLE II
LOTS

Section 1. Property Subjected to this Declaration. The Property and each Lot therein is hereby subjected to the provisions of this Declaration and shall be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration, which are for protecting the value and desirability of and which shall run with the title to the real property, and which shall be binding on all Persons having any right, title or interest in all or any portion of the Property now and hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title and assigns and shall inure to the benefit of each owner of all or any portion thereof.

Section 2. All Lots Bear the Burdens and Enjoy the Benefits of this Declaration. Every Person who is a record owner of a fee or undivided fee interest in any Lot, by acceptance of a deed or other conveyance thereof, and by acceptance of such ownership, and by taking record title to such Lot, agrees to all of the terms and provisions of this Declaration. Each of the Lots is subject to all the burdens, and enjoys all the benefits, applicable hereunder.

ARTICLE III
ASSOCIATION PROPERTY

Section 1. Association Property.

(a) The Declarant shall have the right to transfer and convey to the Association any portion of the Property. All portions of the Property which the Declarant shall so transfer or convey to the Association shall thereafter constitute Association Property. Said right may be exercised by the Declarant any time, and from time-to-time, prior to the date that is ten (10) years from and after the recording of this Declaration in the Office of the RMC for Aiken County, South Carolina.

(b) All portions of the Property which shall be transferred to the Association by the Declarant (i) shall be conveyed to the Association by quitclaim deed free of debt encumbrance, and (ii) shall be conveyed to the Association subject to the rights, restrictions, and easements set forth in this Article III, irrespective of whether the deed of conveyance shall make a specific reference to such rights, restrictions, and easements.

(c) By joining in the execution of this Declaration, the Association does hereby covenant and agree to accept all conveyances of the Association Property which may be made to it pursuant to, and in accordance with, the terms and provisions of this Article III, Section 1.

Section 2. Members' Rights in Association Property.

(a) Every owner of any Lot shall have a non-exclusive right and easement of enjoyment and use in and to the Association Property and such right and easement shall be appurtenant to, and shall pass with, the title to any Lot(s). Such right and easement of enjoyment and use are and shall be subject to the easements which are described in this Article III and to the right of the Association to promulgate Rules and Regulations, and the right of the Association, as provided in the Bylaws, to suspend the enjoyment rights of the owner of any Lot during any period in which any assessment which is due to the Association from such owner remains unpaid, and such period as the Board of Directors may consider appropriate for any infraction of its published Rules and Regulations. In addition, the Board of Directors may permit other persons who are not residents of any Lots to use the Association Property upon such terms and conditions, and for the payment of such fees, as shall be determined by the Board of Directors.

(b) There shall be no obstruction of the Association Property, nor shall anything be kept, parked or stored on, attached to, or removed from any part of the Association Property without the prior written consent of the Board of Directors, except as otherwise specifically provided herein. The Association Property is subject to the limitations and restrictions thereon specifically set forth in this Declaration and, subject to such limitations and restrictions, are permitted to be used only for the purposes approved by the Board of Directors or for which the Association Property is designed, and not for any other activities.

Section 3. Easements Over Association Property. All Association Property shall be subject to, and Declarant and the Association do hereby grant, the following easements, restrictions and setback requirements:

(a) An easement across, in, under, over and through the Association Property for the purposes of the construction, installation, repair, maintenance and use of all utility and drainage facilities as exist on the date of the conveyance thereof to the Association; and

(b) An easement in favor of Declarant for the exclusive use of such portions of the Association Property as may be reasonably desirable, convenient or incidental to the construction and installation of improvements on, and the sale of, any Homes or Lots, including, but not limited to, sales and business offices, model residences, storage areas, construction yards, signs and promotional activities. As part of the easement rights granted to Declarant hereunder, Declarant shall have a right of access, ingress and egress for vehicular and pedestrian traffic over, under and on the Association Property, the right to tie into any portion of the Association Property for driveways, parking areas and walkways and the easement rights in respect of utility and drainage facilities as described in Section 3(a) of this Article III. Such easements shall be exercisable by any and all persons whom the Declarant shall authorize to exercise the same, including, without limitation, real estate sales agents and brokers and builders of residences upon the Lots, irrespective of whether such persons are affiliated with the Declarant. Such easements shall exist notwithstanding any provision of this Declaration which might be construed to the contrary, but shall terminate at such time as the construction of Homes on the Lots has been completed and all of the Lots shall have been conveyed to owners thereof who shall not have acquired the Lots for the purpose of immediate resale of the same. Such easements shall and do

exist without affecting the obligation of the owner of any Lot to pay assessments or charges coming due during such period of time as portions of the Association Property shall be used by authorized persons pursuant to the exercise of the easements herein stated.

(c) All easements, restrictions and setback requirements that are shown and depicted on the Subdivision Plat.

Section 4. Damage or Destruction. In the event that any improvements located on any Association Property shall be damaged or destroyed on account of the occurrence of any casualty, the Board of Directors shall proceed with the filing and settlement of all claims arising under any policy of insurance maintained by the Association with respect to such improvements and shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed improvements. Any such damage or destruction shall be repaired or reconstructed unless it shall be decided, within ninety (90) days after the occurrence of the casualty, by a majority of the total vote of all then-existing classes of membership of the Association, not to repair or reconstruct such damage or destruction. In the event that it shall be so decided not to repair or reconstruct any such damage or destruction, the proceeds of any insurance as may become payable to the Association as a result of such damage or destruction shall be applied to such purposes as may be determined by the Board of Directors.

Section 5. Transfer or Encumbrance. From and after the date of this Declaration and for long as the Declarant is the owner of any Lot or other portion of the Property, Declarant may elect to modify development plans for the Property in a manner that requires adjustments and modifications to the boundaries of the Association Property. In order to facilitate such adjustments and modifications, the Association shall, at Declarant's request, transfer and convey to the Declarant any portion of the Association Property included within a Lot on a proposed or recorded Subdivision Plat. Upon recording of a deed whereby the Association conveys Association Property to the Declarant, the property conveyed by such deed shall no longer constitute Association Property. No approval from the Association, or from anyone else whomsoever shall be required in order for the Association to transfer and convey Association Property to Declarant as described above. By joining in the execution hereof, the Association does hereby covenant and agree, upon Declarant's request as aforesaid, to transfer and convey to Declarant any portion of the Association Property included within a Lot on a proposed or recorded Subdivision Plat. Except as specifically described in this Section 5, in no event shall the Association abandon, encumber, sell or transfer, directly or indirectly, any portion of the Association Property unless such abandonment, encumbrance, sale or transfer shall be first approved in writing by the owners of no fewer than two-thirds (2/3) of the Lots and the Declarant.

ARTICLE IV
THE ASSOCIATION

Section 1. The Association.

(a) Prior to the date this Declaration has been filed for record in the Office of the RMC for Aiken County, South Carolina, the Declarant has caused the Association to be formed, and the Association does now exist, under its Articles of Incorporation and Bylaws.

(b) The Association is and shall be responsible for the ownership, management and operation of the Association Property, the enforcement of the covenants and restrictions set forth in this Declaration, and the performance of such other duties and services as the Board of Directors shall deem to be in the best interests of the members of the Association. The Association shall have the responsibility of maintaining and enforcing all buffers and setbacks that are shown and depicted on the Subdivision Plats. The Association shall maintain all stormwater retention facilities that are located on the Association Property in accordance with all applicable governmental requirements, and shall maintain all stream buffer requirements that may be applicable to any streams located on any Association Property. The Association shall have the right to promulgate reasonable rules and regulations regarding the maintenance, occupancy, and use of the Lots, the Association Property or any other portion of the Property (the "Rules and Regulations"). The Association may, but shall be under no obligation to, include in the Rules and Regulations design guidelines for the making of improvements or the placement of items on the Lots, and for the changing of the exteriors of the Homes. The Association may modify and amend the Rules and Regulations as frequently as the Board of Directors may elect to do so. Notwithstanding the inclusion of any design guidelines in the Rules and Regulations, no owner of any Lot may change the exterior of his Home or the landscaping on his Lot, unless the same has been approved by the Board of Directors, as provided for in Article VI, Section 3 of this Declaration.

Section 2. Membership. Every Person who is, or who becomes, a record owner of a fee or undivided fee interest in any Lot is and shall be a member of the Association; provided, however, that any such Person who holds such interest merely as security for the performance of an obligation shall not be a member of the Association. The transfer of ownership of a fee or undivided fee interest in any Lot shall automatically transfer membership in the Association, and in no event shall such membership be severed from the ownership of such Lot. No owner of any Lot, whether one or more Persons, shall have more than one (1) membership per Lot.

Section 3. Classes of Membership; Voting Rights. The Association shall have two classes of voting membership: Class A and Class B.

(a) Class A. The Class A members shall be all those Persons holding an interest required for membership in the Association, as specified in Section 2 of this Article IV, except for those persons who are Class B members. Each Class A member shall be entitled to cast one (1) vote for each Lot owned. The Class A members shall be entitled to full voting privileges on the earlier of the following dates to occur: (i) the date which the Declarant may so designate by notice in a writing delivered to the Association, or (ii) the date on which the Declarant shall have conveyed all of the Lots to individual owners of Lots. Before the earlier of these dates to occur, the Class A members shall be entitled to vote only on (a) any proposal of merger, consolidation or dissolution of the Association; (b) any proposal to transfer or encumber any portion of the

Association Property, except as specifically set forth in Article III, Section 5 of this Declaration; (c) any proposal pursuant to Article IX, Section 1 of this Declaration to amend this Declaration; and (d) any other matter for which it is herein specifically provided, or for which it is provided by law, that approval of each and every class of membership of the Association is required.

(b) Class B. The Declarant shall be the sole Class B member. Class B membership shall be a full voting membership and, during its existence, the Class B member shall be entitled to vote on all matters and in all events. At such time as the Class A members shall be entitled to full voting privileges, as provided in paragraph (a) hereof, the Class B membership shall automatically terminate and cease to exist, and the Class B member shall be and become a Class A member insofar as it may then hold any interest required for membership by Section 2 of this Article IV.

From and after the date at which the Class B membership automatically terminates and ceases to exist, such membership shall not be renewed or reinstated.

Section 4. Compliance; Suspension of Membership Rights; Specific Assessments.

(a) Each member shall comply with and abide by (and shall cause all persons occupying any Lot owned by such member to comply with and abide by) all provisions and restrictions set forth in this Declaration and all Rules and Regulations. The membership rights of any member of the Association, including the right to vote and to use the Association Property, may be suspended by the Board of Directors for violating the same in the manner provided for in the Bylaws. Any such suspension shall not affect such member's obligation to pay assessments coming due during the period of such suspension and shall not affect the permanent charge and lien on the member's property in favor of the Association.

(b) In addition to the foregoing, the Board of Directors shall also have the authority to levy specific assessments ("Specific Assessments") against any member of the Association who shall fail to comply with or abide by any provision or restriction of this Declaration, or any rule or regulation adopted by the Board of Directors, regarding the use, occupancy or maintenance of the Lots or the use of the Association Property. By way of explanation and not limitation, the following shall constitute Specific Assessments: (a) fines levied pursuant to this Declaration, (b) the cost of maintenance performed by the Association for which an Owner is responsible, (c) expenses of the Association which benefit less than all of the Lots, which may be specifically assessed equitably among all of the Lots which are benefited, (d) expenses of the Association which benefit all Lots, but do not provide an equal benefit to all Lots, which may be specifically assessed equitably among all Lots according to the benefit received, and (e) expenses of the Association which are attributable to or incurred as a result of the conduct of an owner or the occupants, guests, tenants, invitees or licensees of the owner, of any Lot. Any Specific Assessments levied pursuant to this Section 4(b) shall be levied specifically against the member who, or whose Lot, shall not be in compliance with such provision, restriction, rule or regulation, and against all Lot(s) owned by such member, and such Specific Assessment shall be collected in the same manner as an Annual Assessment. Prior to assessing any Specific Assessments in accordance herewith, the Board of Directors shall deliver written notice to the

noncompliant member of the specific nature of the violation and the action necessary by the member to cure the violation. Any member in receipt of such notice shall have ten (10) days thereafter or such longer time as the Board of Directors shall determine in its sole discretion, to cure the specified violation. After the expiration of the cure period described above, the member shall incur a Specific Assessment for each day that the violation has not been cured by the action described in the notice from the Board of Directors. In no event, however, shall the amount of each individual Specific Assessment total more than four percent (4%) of the amount of the Annual Assessments then in effect. Notwithstanding the foregoing per day limitation, each day that the applicable violation shall remain uncured shall constitute a separate violation and there is no limitation on the total number or amount of Specific Assessments that may be imposed against a member and such member's Lot(s) due to the continuation of such violation.

(c) In no event shall the failure by the Board of Directors to suspend the membership rights of any member of the Association, or to levy any Specific Assessment against such member, on account of the occurrence of any violation by such member (or for which such member is responsible) of any provision or restriction of this Declaration, or any of the Rules and Regulations, be deemed to constitute a waiver by the Association of its power or authority to do so thereafter on account of the continuation of such violation or the occurrence of any subsequent violation.

Section 5. Meetings of the Membership. All matters concerning the meetings of members of the Association, including the time at which and the manner in which notice of any said meeting shall be given to members, the quorum required for the transaction of business at any meeting, and the vote required on any matter, shall be as specified in this Declaration, the Articles of Incorporation, the Bylaws or applicable law.

Section 6. Association Acts Through Its Board of Directors. Whenever approval of, or action or inaction by, the Association is referred to or called for in this Declaration, such action, inaction or approval shall be by the Board of Directors of the Association, unless it is specifically stated in this Declaration, the Articles of Incorporation or the Bylaws with respect to such action, inaction or approval that the members of the Association must vote. No member of the Board of Directors of the Association or any officer of the Association shall be personally liable to any owner of any Lot for any mistake of judgment or for any other act or omission of any nature whatsoever, except for any acts or omissions found by a court of competent jurisdiction to constitute gross negligence or fraud.

Section 7. Professional Management. The Association may, but shall not be obligated to, obtain and pay for the services of any person or other entity to manage the affairs of the Association, or any part thereof, and may enter into such agreements for the management of the Association Property as the Board of Directors deems to be in the best interests of the Association.

Section 8. Safety of Owners of Lots. The Association shall not be responsible for the safety of the owner of a Lot or their lessees, guests or invitees. The Association may, but shall not be obligated to, provide security services within the Property.

ALL OWNERS, OCCUPANTS, GUESTS, LICENSEES, AND INVITEES, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS DO NOT REPRESENT OR WARRANT THAT ANY SAFETY OR SECURITY MEASURES WILL BE IMPLEMENTED IN THE PROPERTY OR, IF IMPLEMENTED, THAT SUCH SAFETY OR SECURITY MEASURES MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR THAT ANY SUCH SAFETY OR SECURITY MEASURES WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THEY ARE DESIGNED.

EACH OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION AND THE BOARD OF DIRECTORS ARE NOT INSURERS AND THAT EACH OWNER, OCCUPANT, GUEST, LICENSEE, AND INVITEE ASSUMES ALL RISKS OF PERSONAL INJURY AND PROPERTY DAMAGE AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION AND THE BOARD OF DIRECTORS HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SAFETY OR SECURITY MEASURES IMPLEMENTED OR APPROVED.

ARTICLE V ASSESSMENTS

Section 1. Assessments; Lien Therefor. Each Person, other than the Declarant, who shall own any Lot, by acceptance of a deed or other conveyance thereto, irrespective of whether it shall be so expressed in any such deed or other conveyance, and by acceptance of such ownership and taking record title thereto, shall be deemed to covenant and agree to pay to the Association all assessments and charges which are levied by the Association against the Lot(s) owned by such Person in accordance with the terms and provisions of this Declaration. All sums lawfully assessed by the Association against any Lot and the owner thereof shall, from the time the sums became due and payable, be the personal obligation of the owner of such Lot and constitute a lien in favor of the Association on such Lot prior and superior to all other liens whatsoever, except:

- (a) liens for ad valorem taxes on the Lot;
- (b) the lien of any First Mortgage or the lien of any prior Mortgage recorded in the Office of the RMC for Aiken County, South Carolina prior to the recording of this Declaration;
or
- (c) the lien of any First Mortgage placed on a Lot, if, but only if, all assessments and charges with respect to such Lot authorized herein having a due date on or prior to the date of the First Mortgage as filed of record have been paid.

The recording of this Declaration shall constitute record notice of the existing of the lien and no further recordation of any claim of lien shall be required.

Section 2. Personal Obligation of Members.

(a) Each owner of a Lot, other than the Declarant, shall be deemed to covenant and agree to pay to the Association: (i) owner's share of the Annual Assessments which shall be levied by the Association in accordance with Section 4 of this Article V; and (ii) when properly authorized in accordance with Section 5 of this Article V, Special Assessments; such Annual and Special Assessments to be fixed, established and collected from time to time as hereinafter provided.

(b) All such assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be the personal obligation of the Person who is the owner of the Lot against which such assessments are levied at the time such assessments become due and payable. Each grantee of a Lot shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided however, the liability of a grantee for the unpaid assessments of the grantor shall not apply to any first mortgagee taking title through foreclosure proceedings. No owner of any Lot, except the Declarant, may waive or otherwise be exempt from liability for the assessments provided for herein for any reason, and no diminution or abatement of any assessment shall be claimed or allowed by reason of any failure of the Association to take some action or perform some function required to be taken by the Association, the obligation to pay assessments being a separate and independent covenant on the part of the owner of each Lot. The covenant to pay assessments herein stated is and shall be a covenant running with the land.

Section 3. Purposes of Assessments. The assessments levied by the Association pursuant to this Article V shall be used to pay the costs and expenses which the Association shall incur in connection with the performance of its duties and responsibilities pursuant to this Declaration, the Articles of Incorporation and the Bylaws (such costs and expenses being herein referred to as the "Annual Expenses"). Without limiting the generality of the foregoing, the Annual Expenses shall include, without limitation, the costs of: repair, improvement and maintenance of all Association Property; payment of all governmental charges, taxes and assessments which shall be levied against all Association Property; payment of all costs and expenses incurred by the Association in connection with its operations, including, without limitation, the payment of electricity charges for all lighting located on the Property which does not serve a particular Lot; payment of the premiums for all policies of property and liability insurance maintained by the Association with respect to Association Property; payment of the premiums for all fidelity bonds which shall be obtained by the Association; the maintenance of reserves for the repair and replacement of improvements located on the Association Property and for such other purposes as the Board of Directors shall determine, in all cases in such amounts as the Board of Directors shall determine; the payment of the fees of such management firms as the Board of Directors shall employ; and payment of the fees for the provision of such professional services as the Board of Directors shall determine to be required by the Association, including

legal, accounting and architectural services; and trash pick-up expenses pursuant to Article VII, Section 12.

Section 4. Determination of Annual Assessment. Prior to the commencement of each fiscal year of the Association (said fiscal year being specified in the Bylaws), the Board of Directors shall estimate the total amount of the Annual Expenses which are anticipated to be incurred by the Association during such fiscal year and shall determine the amount which will be deposited during such fiscal year into reserve funds maintained by the Association. The Board of Directors shall thereupon adopt a budget for the Association's expenditures and reserve funding based upon such estimate and providing for the total annual assessment to be levied against the members of the Association for such fiscal year (the total assessment which shall be so determined and levied is herein referred to as the "Annual Assessment"). The Annual Assessment shall be levied against all of the members of the Association other than the Declarant and all Lots not owned by the Declarant. The amount of the Annual Assessment levied against each Lot shall be the same as the amount levied against every other Lot. Each Lot not owned by the Declarant shall be liable for that share of every Annual Assessment which is so determined by the Board of Directors. The Board of Directors shall send a copy of the budget so adopted, together with a written notice of the amount of the Annual Assessment so determined for such fiscal year and the amount of such Annual Assessment which shall be levied against each Lot, to the owner of every Lot prior to the commencement of the fiscal year during which such Annual Assessment is to be paid. The amount of such Annual Assessment levied against each Lot shall be due and payable to the Association in one installment unless otherwise determined by the Board of Directors, and after notice of the same shall have been given to all of the members of the Association by the Board of Directors, shall be paid to the Association when due without further notice.

Section 5. Special Assessments. If for any reason, including non-payment of any assessments to the Association by the persons liable therefor, the budget adopted by the Board of Directors for any fiscal year shall prove to be inadequate to defray the Annual Expenses for such fiscal year, or if the Board of Directors shall determine that it is in the best interests of the Association to levy a special assessment to pay the costs of any capital improvements or capital repairs, the Board of Directors shall have the authority to levy a special assessment against the Lots and the owners thereof (other than the Declarant) to raise such needed funds (in each case, a "Special Assessment"). Any Special Assessment levied by the Board of Directors pursuant to the provisions of this Section 5 shall be payable at such times and such installments as the Board of Directors shall determine. Each Lot not owned by the Declarant shall be liable for the payment of an equal share of every Special Assessment which shall be levied by the Association pursuant to the provisions of this Section 5.

Section 6. Initiation Assessments. At the time the fee title to any Lot shall be conveyed by the owner thereof (including by the Declarant) to a successor owner, there shall be levied against such Lot a one-time initiation assessment (an "Initiation Assessment"). The Initiation Assessment shall be an amount to be determined annually by the Board of Directors, but in no event more than one hundred eighty percent (180%) of the Annual Assessment per Lot for that year. The Initiation Assessment shall be due and payable to the Association at the time of the

closing of the conveyance of the Lot in question. The Association shall use the amounts received by the Association from the payment of Initiation Assessments for any such purposes as the Board of Directors deems appropriate, including, without limitation, the payment of operating expenses. Notwithstanding the foregoing, no Initiation Assessment shall be due in connection with inheritance of any Lot on account of the death of the owner thereof, in connection with the subjecting of any Lot to any Mortgage, or in connection with any mortgagee taking title to any Lot through foreclosure proceedings.

Section 7. Foreclosure Administration Fee. It is recognized that foreclosures of mortgages on Homes and/or Lots create substantial administrative and other burdens on the Association. These additional burdens on the Association include, but are not limited to, having to monitor the status of mortgages and legal periodicals to determine when foreclosures occur, searching the records of the Office of the RMC of Aiken County, South Carolina to determine the names of the purchasers at foreclosure sales, contacting the foreclosure purchasers/owners regarding foreclosure-purchaser responsibilities and assessment obligations and updating Association records multiple times to deal with just a single Home and/or Lot. Pursuant to this Declaration, the Association is authorized to assess individual owners certain fees and expenses occasioned by and benefiting just those owners or those owners' Homes and/or Lots. In accordance with these provisions, and in addition to Annual Assessments, Special Assessments, and other charges provided for in this Declaration, except as otherwise specifically set forth in this Declaration provided below, any Person who acquires a Home and/or Lot at a foreclose sale of the mortgage on such Home and/or Lot, or by deed in lieu of a foreclosure, will be required to pay the Association a "Foreclosure Administration Fee" of \$925.00 at the time the foreclosure deed or deed in lieu of foreclosure is recorded in the Office of the RMC for Aiken County, South Carolina records. The Foreclosure Administration Fee shall constitute a Specific Assessment.

Section 8. Commencement. At such time as any Lot which is owned by the Declarant shall be conveyed or transferred away by the Declarant, all liens and assessments provided for in this Article V shall become immediately levied against such Lot and the owner of such Lot shall immediately become liable for the payment of all such assessments. The amount of each Annual Assessment which shall become so payable with respect to any Lot shall be prorated according to the respective portions of the fiscal year that such Lot was owned by the Declarant and by such successor owner. Notwithstanding any term or provision of this Declaration which may be construed to the contrary, no Lot owned by the Declarant shall be subject to any assessment provided for in this Article V until the first day of the month following the date such Lot is first occupied for residential purposes. A Lot shall be deemed to be occupied for residential purposes when it has been improved with a Home for which a certificate of occupancy (or its jurisdictional equivalent) has been issued and has been leased to an occupant who intends to occupy the Home, or, if the Home is occupied as a residence before such lease, the date of such occupancy.

Section 9. Budget Deficit During Declarant Control. For so long as Declarant has the authority to appoint the directors and officers of the Association, Declarant may, but shall not be required to: (a) advance funds to the Association sufficient to satisfy the deficit, if any, between the Association's actual operating expenses and the sum of the Annual Assessments collected by

the Association in any fiscal year; and/or (b) cause the Association to borrow any amount from a third party at the then prevailing rates for such a loan in the local area of the Subdivision. Any advances made by Declarant under item (a) of the immediately preceding sentence shall, upon request of Declarant, be evidenced by promissory notes from the Association in favor of Declarant. For avoidance of doubt, Declarant's failure to obtain a promissory note shall not invalidate the debt.

Section 10. Effect of Non-Payment of Assessments; Remedies of the Association.

(a) In the event that any member of the Association shall fail to pay, within ten (10) days after the date the same is due and payable, any assessment, or any installment of any assessment which is payable by him to the Association, the entire amount of such assessment, including the portion thereof which would otherwise be payable in installments, shall incur a late charge of ten percent (10%) of the amount of the assessment or installment not paid when due and may be declared by the Board of Directors to be immediately due and payable in full to the Association. All such amounts so declared by the Board of Directors to be due and payable in full to the Association shall be secured by the lien of the Association on every Lot owned by the delinquent member, which lien shall bind such Lot or Lots in the hands of then owner, and his heirs, devisees, successors and assigns.

(b) All amounts which the Board of Directors shall declare to be due and payable pursuant to this Section 10 shall bear interest from the date of delinquency at the lower of the rate of ten (10%) percent per annum or the highest rate permitted by law, and the Association may bring legal action against the member of the Association personally obligated to pay the same, or foreclose its lien upon the Lot or Lots of such member, in either of which events such member shall also be liable to the Association for all costs of collection, including reasonable attorneys' fees, which the Association shall incur in connection with the collection of such delinquent amounts.

(c) All payments received by the Association shall be applied first to costs, then to late charges, then to interest, and then to delinquent assessments.

Section 11. Failure to Assess. The omission or failure of the Board of Directors to fix the assessment amounts or rates or to deliver or mail to each member of the Association an assessment notice shall not be deemed a waiver, modification, or a release of the owner of any Lot from the obligation to pay assessments. In such event, each member of the Association shall continue to pay assessments on the same basis as the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

Section 12. Expenses Prior to Class A Membership.

(a) Notwithstanding the contrary provisions of this Article V, prior to the date on which there shall be a Class A member of the Association, the Board shall have no obligation to adopt a budget for the Association's expenditures or reserve funding or determine an Annual

Assessment. In addition, there shall be no requirement that at the time at which there shall first be a Class A member of the Association, or at any time prior to the termination of the Class B membership, the Association must have any reserves for the repair and replacement of any improvements located on the Association Property or for any other purpose.

(b) After the termination of the Class B membership, the Board of Directors shall determine the appropriate amount of reserves for the repair and replacement of the improvements located on the Association Property on an annual basis, as provided for in Section 4 hereof.

Section 13. Estoppel Letter. Any owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments past due and unpaid, including any late charges, interest, fines, or other charges against that Lot. Such request shall be delivered to the registered office of the Association, and shall state an address to which the statement is to be directed. The Association shall, within five (5) business days after receiving a written request therefor, certify to the amount of any unpaid assessments constituting a lien on a specified Lot. A certification letter signed by an officer of the Association or the Association's managing agent, if any, as to the amount of assessments due with respect to a Lot shall be binding upon the Association. The Association may charge a reasonable fee as may be permitted by law as a prerequisite to the issuance of such statement.

ARTICLE VI ARCHITECTURAL CONTROL

Section 1. General. No exterior construction, alteration or addition of any improvements of any nature whatsoever (including, without limitation, staking, clearing, excavating, grading, filling, construction of impervious surfaces, building, exterior alteration of existing improvements, installing storm and screen doors, storm windows and fencing, changing the exterior color of any existing improvement and planting and removing landscaping materials), shall be commenced or placed upon any part of the Property unless: (a) installed by the Declarant or its affiliates; (b) approved in accordance with this Article VI; or (c) otherwise expressly permitted under this Declaration. Any owner of a Lot may remodel, paint or redecorate the interior of a structure located on a Lot without approval hereunder. However, additions and/or modifications to the interior of porches, patios, balconies, decks and similar portions of a structure visible from outside of a Lot shall be subject to approval in accordance with this Article VI. No approval shall be required to repaint the exterior of a structure located on a Lot in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

Section 2. Restrictions.

- (a) Only one (1) building may be constructed on any Lot.

(b) No structure other than a fence shall be constructed, placed or installed upon any Lot in a location which encroaches beyond any front, side or rear building set-back line which is depicted on the Subdivision Plats.

Section 3. Architectural Control.

(a) No exterior construction, alteration or addition, including, without limitation, any building, fence, wall, garage, patio, carport, playhouse, swimming pool, mailbox or other structure, shall be commenced, erected or maintained upon any Lot, nor shall any change in the type of roofing material or in the color of the paint, stain or varnish, or alteration of any of such structures, or any landscaping, be made until complete and final plans and specifications, setting forth the information hereinafter described, shall have been submitted to, and approved in writing by, the Declarant. The Declarant shall review the plans and specifications as to the harmony of the exterior design and general quality with the existing standards of the improvements located on the other Lots, and as to location in relation to surrounding structures and topography. The Declarant shall be the sole arbiter of such plans and specifications and may withhold approval for any reason, including, without limitation, purely aesthetic considerations, and it shall be entitled to stop any construction in violation of such plans and specifications, applicable Architectural Guidelines or any other provisions of the Declaration. In the event the Declarant fails to approve or disapprove such design and location within forty-five (45) days after receipt of complete and final plans and specifications, such approval shall be deemed to have been given. If construction does not commence on a project for which plans have been approved within twelve (12) months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the applicant to resubmit the plans and specifications to the Declarant for reconsideration.

(b) The plans and specifications which must be submitted to the Declarant shall contain at least the following information:

(i) a site plan showing the shape and size of the proposed structure and its location on the Lot on which the same is proposed to be constructed; and

(ii) building plans of the proposed structure which shall include an exterior elevation drawing of the proposed structure; and

(iii) in the case of any change or improvement that is addressed in the Architectural Guidelines (as defined below), a statement regarding the extent to which the same complies with such Architectural Guidelines; and

(iv) in the case of any fence proposed to be erected on any Lot, a site plan showing the location of the proposed fence.

(c) As a condition of approval under this Article VI, the owner of each Lot, on behalf of such owner and such owner's successors-in-interest, shall assume all responsibilities for the maintenance, repair, replacement and insurance to and on any improvement, change, modification, addition or alteration. In the discretion of the Declarant, an owner of a Lot may be

required to verify such condition of approval by a recordable written instrument acknowledged by such owner on behalf of such owner and such owner's successors-in-interest. The Declarant and its representatives and agents shall have the right, during reasonable hours and after reasonable notice, to enter upon any Lot to determine whether or not these restrictive covenants have been or are being complied with and such persons shall not be deemed guilty of trespass by reason of such entry; provided, however, nothing herein shall be construed as permitting any party to enter any residential dwelling located on a Lot without the consent of the owner thereof.

Section 4. Architectural Guidelines. The Declarant may adopt written architectural, landscaping and fencing guidelines (collectively the “Architectural Guidelines”) and application and review procedures, which may provide for a fee for reviewing plans and specifications. The Declarant shall have the sole and full authority to prepare, amend and modify, from time to time at its sole discretion and without notice, the Architectural Guidelines. In the event Declarant modifies, expands or repeals all or any portion of the Architectural Guidelines, said new Architectural Guidelines shall be distributed to the owners and occupants of all Lots prior to the date that they are to become effective and shall thereafter be binding upon all owners and occupants of all Lots until and unless overruled, canceled or modified by a vote of Declarant and a majority of the Class A Members. The Declarant shall provide, without cost, a copy of the Architectural Guidelines then in effect to any owner or occupant of a Lot who seek to engage in construction upon all or any portion of the Lot, and such owner or occupant shall conduct their operations strictly in accordance therewith and with the provisions of this Article VI.

Section 5. Limitation of Liability. Plans and specifications approved pursuant to this Article VI are not reviewed or approved for engineering or structural design, quality of materials or for compliance with applicable building codes, permitting requirements, zoning conditions or other applicable governmental laws, ordinances and regulations governing construction on the Property, and by approving such plans and specifications the Declarant, the Association and their respective directors, officers, members, representatives, agents or employees assume no liability or responsibility therefor or for any defect in any structure or improvement constructed from such plans and specifications or for any violation of applicable building codes, zoning conditions, permitting requirements or for any other violation of governmental laws, ordinances and regulations governing construction on the Property. Neither Declarant, the Association, nor their respective officers, directors, members, employees and agents shall be liable in damages to anyone submitting plans and specifications for approval or to any owner of property affected by these restrictions by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every Person who submits plans and specifications and every owner of a Lot agrees that such Person or owner will not bring any action or suit against the Declarant, the Association or their respective officers, directors, members, employees, representatives and agents to recover any damages and hereby releases, remises, quitclaims and covenants not to sue for all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

Section 6. Declarant Exemption. Notwithstanding anything stated to the contrary herein, nothing contained in this Article VI shall be construed as prohibiting any construction by the Declarant upon any Lot while such Lot is owned by the Declarant (provided, however, that such construction is in compliance with the requirements specified in Article VI, Section 2), or as prohibiting any alteration of any existing improvement on any such Lot, or the performance of any landscaping on any such Lot. Any construction, alteration or landscaping performed by the Declarant upon any Lot while such Lot is owned by the Declarant shall be exempt from the provisions of Section 3 and Section 4 of this Article VI. This Article VI shall not apply to improvements to the Association Property made by or on behalf of the Declarant or the Association.

Section 7. No Waiver. The approval of the Declarant of any plans and specifications for any work done or proposed, or in connection with any other matter requiring the approval or consent of the Declarant under this Article VI, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar plans and specifications or matters whatsoever subsequently or additionally submitted for approval or consent.

Section 8. Variances. Notwithstanding anything to the contrary contained herein, the Declarant shall be authorized to grant individual variances from any of the provisions of this Declaration and the Architectural Guidelines if it determines that waiver of application or enforcement of the provision in a particular case is dictated by unique circumstances, such as, but not limited to, topography, natural obstructions, hardship, aesthetic considerations or environmental considerations. No variance so issued shall: (a) be effective unless in writing; (b) be inconsistent with the overall scheme of development for the Property; or (c) estop the Declarant from denying a variance in other similar circumstances. For purposes of this provision, the inability to obtain approval of any governmental agency or the issuance of any permit, or the terms of any financing, shall not be considered a hardship warranting a variance.

Section 9. Enforcement. In the event that any construction or alteration work is undertaken or performed upon any Lot without application having been first made and approval obtained as provided in Section 3 of this Article VI, said work shall be deemed to be nonconforming and in violation of this Declaration. Upon written request from Declarant, the Person upon whose Lot said nonconforming construction or alteration work was undertaken or performed may be required to restore the Lot to its original condition, at his sole expense. Upon the failure or refusal of any Person to perform the restoration required herein, the Declarant, or its authorized agents or employees, may, after ten (10) days' notice to such Person, enter upon the Lot and make such restoration as the Declarant, in its sole discretion, may deem necessary or advisable. The Person upon whose Lot such restoration work shall have been so performed shall be personally liable to the Declarant for all direct and indirect costs which the Declarant shall incur in the performance of such restoration work, and the liability for such cost shall be secured by Special Assessment against the Lot, as provided for in Article V. Neither Declarant or Association, nor their respective officers, directors, members, employees and agents, shall be held liable to any Person for exercising the rights granted by this Section 9 of Article IV, including, without limitation, claims for damages resulting from the removal of the nonconforming structure or

improvement in accordance with the procedures set forth herein. In the event of noncompliance with this Article VI, the Association or Declarant, respectively, may also record in the appropriate land records a notice of violation hereunder naming the violating owner of the Lot. In addition to the foregoing, Declarant or the Association, acting through its Board, shall have the authority and standing to pursue any and all remedies available at law and equity to enforce the provisions of this Article VI, including, without limitation, the right to levy and collect fines against non-complying owners and occupants of a Lot in accordance with the provisions of this Declaration and the Bylaws.

Section 10. Architectural Review By Declarant. Until: (a) the Declarant no longer owns any Lot; and (b) each Lot has been improved with a dwelling for which a certificate of occupancy has been issued, the Declarant shall have the sole right, power and authority under this Article VI. Notwithstanding the foregoing, the Declarant may in its sole discretion relinquish architectural control as to certain types of improvements or modifications to the Board of Directors while retaining control over all other building and construction on the Property; provided, however, any right, power or authority of the Declarant which may be relinquished to the Board of Directors prior to the termination of the rights of Declarant hereunder shall only be by a written instrument executed by Declarant and recorded in the Office of the RMC for Aiken County, South Carolina and no such right, power or authority shall be relinquished by implication or otherwise. For example and without limitation, the Declarant may relinquish control over modifications of existing structures to the Board of Directors while retaining all authority to review and approve new Home construction. Upon the surrender in writing of all or a portion of such right and authority, the Board of Directors shall then have such jurisdiction over architectural control under this Article VI as may have been relinquished by the Declarant.

After the termination or voluntary surrender of all or a portion of the rights of Declarant hereunder, the Board of Directors shall have all right, power and authority to review and approve all building and construction activity on the Property and this Article VI shall then be read and interpreted as if any reference to the authority of or action by the Declarant were a reference to the authority of or action by the Board of Directors. The Board of Directors may, but shall have no obligation to, establish an architectural review committee ("ARC"), which shall then have such rights, powers and authority as may be granted to it by the Board of Directors. The Board of Directors may grant to the ARC all of its rights, powers and authorities hereunder, or may grant the ARC such limited rights as it deems appropriate in its sole discretion. In the event that all or any portion of such rights, powers and authorities are granted to an ARC, this Article VI or portions thereof, as appropriate, shall then be read and interpreted as if any reference to the authority of or action by the Declarant were a reference to the ARC. Notwithstanding anything herein to the contrary, the Board of Directors shall have the sole right and authority to appoint and remove the members of the ARC.

Section 11. Amendment. This Article VI may not be amended without the written consent of the Declarant until: (a) Declarant no longer owns any Lot; and (b) each Lot has been improved with a Home for which a certificate of occupancy has been issued.

ARTICLE VII
RESTRICTIONS

In order to provide for the maximum enjoyment of the Lots by all of the residents thereof and to provide protection for the value of the same, the use of the Lots shall be restricted to, and shall be only in accordance with, the following provisions:

Section 1. Residential Use. Each Lot shall be used for residential purposes exclusively. Leasing of a Lot for residential occupancy shall not be considered a business or business activity. No trade or business of any kind may be conducted in or from a Lot, except that the owner or occupant of a Lot may conduct business activities within the residential dwelling located thereon so long as the business activity: (a) does not otherwise violate the provisions of the Declaration, Bylaws or the Rules and Regulations; (b) is not apparent or detectable by sight, sound or smell from the exterior of the Lot; (c) does not unduly increase traffic flow or parking congestion; (d) conforms to all zoning requirements affecting the Property; (e) does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (f) is consistent with the residential character of the Property; (g) does not constitute a nuisance or a hazardous or offensive use; (h) does not threaten the security or safety of other residents of the Property; and (i) does not involve door-to-door solicitation, all as may be determined in each case in the sole discretion of the Board of Directors.

The Board of Directors may issue rules regarding permitted business activities. The terms “business” and “trade,” as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) the activity is engaged in full or part-time; (y) the activity is intended to or does generate a profit; or (z) a license is required for the activity. Notwithstanding the foregoing, nothing in this Section shall be construed as prohibiting the Declarant from maintaining model homes, speculative housing or sales and construction trailers on any Lot.

Section 2. Signs. No sign of any kind shall be erected or displayed within the Property without prior written approval under Section 3 of Article VI; provided, however, the following signs may be erected on any Lot without approval: (a) one - For-Sale or For-Rent sign which is consistent with the Community-Wide Standard; (b) security signs not larger than 18-inches by 18-inches which are consistent with the Community-Wide Standard; (c) signs required by legal proceedings; (d) one (1) "life event" sign commemorating a birth, graduation, or similar life event for a period not to exceed seven (7) days from the date of the event; and (e) such other signs as may be permitted under the Architectural Guidelines. Notwithstanding the foregoing, the Board of Directors, on behalf of the Association and the Declarant, shall have the right to erect and display reasonable and appropriate signs including, without limitation, marketing and sales signs relating to the development, construction and sales of Homes. The Board of Directors shall also have the right to adopt reasonable rules and regulations governing the display and placement of signs,

including, without limitation, imposing reasonable time, place and manner restrictions. The Board of Directors or Declarant, as the case may be, may impose a reasonable fine for the display of any sign which violates this provision and is not removed within twenty-four (24) hours after written demand is delivered to the owner at that Lot. Notwithstanding anything to the contrary herein, the provisions of this Section shall not apply to any Mortgagee in possession due to foreclosure of a first Mortgage or as grantee pursuant to any deed in lieu of such foreclosure.

Section 3. Vehicles; Parking.

(a) General. Vehicles shall be parked only in appropriate parking space serving the Lot or other designated parking areas established by the Board of Directors, if any. The term "vehicles," as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go carts, golf carts, trucks, campers, buses, vans and automobiles. The term "parking spaces serving the Lot" shall refer to the number of garage parking spaces and if, and only if, the owners and occupants of a Lot have more vehicles than the number of garage parking spaces, those excess vehicles which are an owner's or occupant's primary means of transportation on a regular basis may be parked on the driveway located on such Lot; provided, however, no vehicle parked on a driveway shall encroach onto any portion of the sidewalk, street, yard, or landscaped area. All parking shall be further subject to such reasonable rules and regulations as the Board of Directors may adopt from time to time.

(b) Garages. All homes shall contain a garage; carports shall not be permitted. Garage doors should be kept closed at all times, except during times of ingress and egress from the garage. Garages shall be used primarily for the parking of vehicles and not for storage or other purposes; provided, however, use of a garage for storage shall be permitted provided such storage does not prevent an owner or occupant from parking vehicles in the garage. Garages shall not be converted to additional living space unless the same has been approved in accordance with Article VI.

(c) Disabled and Stored Vehicles. No vehicle may be left upon any portion of the Property, except in an enclosed garage or other area designated by the Board of Directors, if any, for a period of more than five (5) days if it is not licensed or if it is in a condition such that it is incapable of being operated upon the public highways. After such five-day period, such vehicle may be removed from the Property by the Board of Directors or the appropriate authority of Aiken County, South Carolina. No towed vehicle, boat, personal watercraft, recreational vehicle, motor home, trailer, motorcycle, minibike, scooter, go cart, golf cart, commercial vehicle, camper, bus or mobile home shall be regularly stored in the Property or temporarily kept in the Property, except if kept in an enclosed garage or other area designated by the Board of Directors, if any, for periods longer than forty-eight (48) hours (the temporary removal of such vehicle from the Property shall not be sufficient to establish compliance with the forty-eight (48) consecutive hour provision provided for herein). Trucks with mounted campers which are used as a primary means of transportation shall not be considered recreational vehicles provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal. No eighteen-wheel trucks or the cabs of such trucks or trucks with a load capacity in excess of three-quarters

of a ton shall be parked, kept or stored within the Property except as may be reasonably necessary to provide service to or delivery within the Property or as otherwise permitted by the Board of Directors.

(d) Commercial Vehicles. The term "commercial vehicles" as used in this paragraph, shall include, without limitation, any vehicle which bears any indicia of commercial use, including, but not limited to, writing, logos, ladders, ladder racks, vehicles displaying signage of a commercial or business nature or vehicles which are not primarily used for the transportation of passengers, all as determined by the Board of Directors in its sole discretion. Commercial vehicles shall not be permitted in the Property, except if kept in an enclosed garage; provided however, construction, service, and delivery vehicles shall be exempt from this provision for such period of time as is reasonably necessary to provide service to or make a delivery within the Property.

(e) Remedies of the Association for Noncompliance. If any vehicle is parked on any portion of the Association Property in violation of this Section or in violation of the Rules and Regulations, the Board of Directors or agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of the person or entity that will do the towing and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within twelve (12) months of such notice, the Board of Directors or agent of the Association may have the vehicle towed in accordance with the notice, without further notice to the owner or user of the vehicle. Notwithstanding anything herein to the contrary, if a vehicle is blocking another vehicle, is obstructing the flow of traffic, is parked on any grassy or landscaped area, is parked in a fire truck turnaround or fire lane, or otherwise creates a hazardous condition, no notice shall be required and the Board of Directors or agent of the Association may have the vehicle towed immediately. If a vehicle is towed in accordance with this Section 3(e), the Declarant, the Association and their respective affiliates, directors, officers, employees or agents shall not be liable to any person for any claim of damage resulting from the towing activity. The Board of Directors may exercise any and all remedies available for a violation of this Section, including, without limitation, the right to levy and collect fines against non-complying owners or occupants of any Lot, which remedies shall be in addition to, not in lieu of, its authority to remove the violating vehicle.

(f) Declarant Exemption. Notwithstanding the foregoing, the Declarant, and its respective agents, contractors, subcontractors and assigns shall have the right, during regular business hours, to park vehicles on any and all streets within the Property as needed in order to facilitate the construction, development and build-out of the Property.

Section 4. Leasing. Lots may be leased for residential purposes. All leases shall be in writing. Any Lot may be leased only in its entirety; no fraction or portion may be leased without prior written approval of the Board of Directors. Unless otherwise provided by the Board of Directors, all leases shall have a minimum term of at least one (1) year. The owner of the Lot must

provide the lessee with copies of this Declaration, Bylaws, the Rules and Regulations and the Architectural Guidelines, and the lease shall provide that the owner of the Lot has made available to the lessee copies of the Declaration, Bylaws, the Rules and Regulations and Architectural Guidelines.

(a) Compliance with Declaration, Bylaws, Rules and Regulations and Architectural Guidelines. Each owner of a Lot covenants and agrees that any lease of a Lot shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Lot, agrees to the applicability of this covenant and incorporation of the following language into the lease:

Lessee shall abide by and comply with all provisions of the Declaration, Bylaws, and Rules and Regulations and Architectural Guidelines adopted pursuant thereto, and shall control the conduct of all other occupants and guests of the leased Lot in order to ensure such compliance. Owner agrees to cause all occupants of his or her Lot to comply with the Declaration, Bylaws, and the Rules and Regulations and Architectural Guidelines adopted pursuant thereto, and is responsible for all violations caused by such occupants, notwithstanding the fact that such occupants of the Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and Rules and Regulations and Architectural Guidelines adopted pursuant thereto. In the event that the lessee or a person living with the lessee violates the Declaration, Bylaws, or any of the Rules and Regulations or Architectural Guidelines for which a fine is imposed, notice of the violation shall be given to the owner and the lessee, and such fine may be assessed against the lessee in accordance with the provisions contained herein. If the fine is not paid by the lessee within the time period set by the Board of Directors, the owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Lot in accordance with the terms of the Declaration.

(b) Notice. Within ten (10) days after executing a lease agreement for the lease of a Lot, the owner of the Lot shall provide the Board of Directors with the following information: (i) a copy of the fully executed lease agreement; (ii) the name of the lessee and all other occupants of the Lot; (iii) the phone number of the lessee; (iv) the owner's address and phone number other than at the Lot; and (v) such other information as the Board of Directors may reasonably require.

(c) Use of Association Property. The owner of a leased Lot transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the owner has to use and enjoy the Association Property, including, without limitation, the right to use and enjoy the recreational facilities and amenities of the Subdivision.

(d) Liability for Assessments; Assignment of Rent. If an owner who is leasing his or her Lot fails to pay any Annual, Special or Specific Assessment or any other charge owed to the Association for a period of more than thirty (30) days after it is due and payable, then the

delinquent owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board of Directors, lessee shall pay to the Association all unpaid Annual, Special and Specific Assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board of Director's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board of Director's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an owner. The above provision shall not be construed to release the owner of the leased Lot from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(e) Amendments to Leasing Requirements. Except for the leasing requirements expressly set forth in this Section 4 of Article VII, no restriction, limitation, or prohibition on the leasing of Lots or Homes, whether imposed by Declarant, the Board of Directors, the Association (or any Association committee), by an amendment to the Declaration, Rules and Regulations or otherwise shall be binding upon a Lot, Home, or the owner or occupant thereof unless the owner of such Lot agrees in writing to be bound and restricted thereby. Notwithstanding anything to the contrary set forth in this Declaration, any modification of this provision shall be documented in an amendment to this Declaration which shall require (i) the affirmative vote, written consent, or a combination thereof of one hundred percent (100%) of the owners of the Lots, (ii) a certification from the incumbent Secretary of the Association that the approval of one hundred percent (100%) of the owners of the Lots has been given and obtained, and (iii) for so long as Declarant owns any property subject to this Declaration, written approval of Declarant. Except as otherwise expressly provided in this Section 4(e) of Article VII, the terms and conditions of Section 4 of Article XI below shall apply to any amendment effectuated under this Section 4(e) of Article VII.

Section 5. Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of dogs, cats or other usual and common household pets in a reasonable number as determined by the Board of Directors from time to time. No animals shall be kept, bred or maintained for any commercial purpose. No dog runs, runners or exterior pens for animals shall be erected or maintained on any Lot unless approved in accordance with the provisions of Article VI. Dogs shall at all times when outside of a dwelling located on a Lot be kept on a leash or otherwise under the physical control of a responsible person. All Lot owners must control their animals at all times, whether or not such owner is present, in a manner that will prevent any animal from: (i) making noise at objectionable sound levels for extended periods of time, whether continuously or intermittently; (ii) endangering the health or safety of other Lot owners, their families, guests or invitees or creating fear in other Lot owners as to the safety of themselves, their families, guests or invitees; or (iii) otherwise constituting a nuisance or inconvenience to the owner(s) or occupant(s) of any other Lot; all of the foregoing as determined by the Association in its sole discretion. All animals shall be registered, licensed and inoculated if and as required by law. Animal control authorities shall be permitted to enter the Property to patrol and remove unlicensed animals. Animal waste deposited in the

Property must be removed by the owner of the animal or the person responsible for the animal. The Association may adopt reasonable rules and regulations designed to minimize damage and disturbance to other Lot owners and occupants, including without limitation, regulations requiring damage deposits, waste removal, leash controls and noise controls. The Association may require that a Lot owner remove any animal that presents an actual threat to the health or safety of residents and require abatement of any nuisance or unreasonable source of annoyance. In the event that the owner fails to remove an animal as provided herein, the Association shall have the right, but not the obligation, to institute legal action to have the animal removed and all costs associated therewith, including, without limitation, reasonable attorneys' fees actually incurred, shall be a specific assessment against the Lot of such owner.

Section 6. Nuisance. It shall be the responsibility of each owner and occupant of any Lot to prevent any unclean, unhealthy, unsightly or unkempt condition on a Lot. No Lot or property within the Property shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot or property to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept that will emit foul or obnoxious odors or that will, in the sole judgment of the Board of Directors, cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Property, nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any Person using any property within the Property. No plants, animals, device or thing of any sort shall be maintained in the Property whose activities or existence is, in the sole judgment of the Board of Directors, in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Property by other owners and occupants. Without limiting the generality of the foregoing, no exterior speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, screaming, shouting, excessively loud talking, fighting, raucous behavior, insobriety, playing loud music or television, use of any alarm, equipment, or device, mechanical or otherwise which creates or produces excessively loud sounds or any vibrations, or any conduct which creates any noxious or offensive odors outside a home shall be permitted, located, used, placed, installed or maintained upon any Lot, or any portion thereof. In no event shall cigarette butts or cigar butts be permitted or deposited on the Association Property. The inconvenience complained of shall not be fanciful, or such as would affect only one of fastidious taste, but it shall be such as would affect an ordinary, reasonable person as determined in a particular instance by the Board of Directors. Notwithstanding anything to the contrary herein, each owner and occupant of a Lot acknowledges that the Declarant and its respective agents, subcontractors or employees may engage in construction activities on one or more Lots in the Property and further agrees that such construction activities shall not be deemed a nuisance as provided herein.

Section 7. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken in any part of the Property.

Section 8. Antennae. No exterior antenna, receiving dish or similar apparatus of any kind for receiving and/or transmitting audio or video signals shall be placed, allowed or maintained upon any portion of the Property, including any Lot, unless approved in accordance with the provisions of Article VI; provided, however, no such approval shall be necessary to install the following on a residential dwelling located on a Lot: (a) antennae designed to receive direct broadcast satellite services, including direct-to-home satellite services or antennae designed to receive or transmit fixed wireless signals via satellite, that are one meter or less in diameter; (b) antennae designed to receive video programming services via multi-point distribution services or antennae designed to receive or transmit fixed wireless signals other than via satellite that are one meter or less in diameter or diagonal measurement; or (c) antennae that are designed and intended to receive television broadcast signals. Owners shall install any permitted antennae on the rear of the residential dwelling located on a Lot unless such installation: (x) imposes unreasonable delay or prevents the use of the antennae; (y) unreasonably increases the cost of installation; or (z) an acceptable quality signal cannot otherwise be obtained.

Section 9. Tree Removal. No trees that are more than four (4) inches in diameter at a point twelve (12) inches above the ground and no ornamental or flowering trees, including, but not limited to, dogwood trees, cottonwood trees, cherry trees or apple trees, regardless of diameter, shall be removed without prior written approval under Article VI or otherwise in accordance with applicable Architectural Guidelines. The Association and Lot owners shall also comply with all zoning conditions and local ordinances applicable to tree removal. In the event of a conflict between the provisions of this Section 9 and any zoning condition or local ordinance, the more restrictive provision shall govern. This provision shall not apply to the removal of trees by the Declarant or the Association.

Section 10. Storm Water Detention/Retention, Drainage, Streams, and Creeks. All catch basins, retention ponds, detention ponds, drainage easement areas and related drainage facilities, streams and creeks within the Property shall be used for aesthetic amenities and controlling the flow of water only. No other use thereof, including, without limitation, swimming, ice skating, playing, or use of personal flotation devices, and other recreation, shall be permitted without the written consent of the Board of Directors. The Association and Declarant shall have no responsibility or liability for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the storm water retention and/or detention ponds, drainage facilities, streams or creeks in the Property. No obstructions or debris, including without limitation, rocks, stones, trash, garbage, sewage, waste water, rubbish, debris, ashes or other refuse, shall be placed in these areas. No owner of any Lot may obstruct or alter the drainage flow after the location and installation of catch basins, retention ponds, detention ponds, drainage swales, storm sewers or storm drains without approval in accordance with the provisions of Article VI. In the event stormwater drainage from any Lot or Lots flows across another Lot, provisions shall be made by the owner of such downstream Lot to permit such drainage to continue, without restriction or reduction, across the downstream Lot and into the natural drainage channel or course although no specific drainage easement for such flow of water is provided on the Subdivision Plats. Applicable governmental agencies, Declarant and the Association shall have the sole right to control the water level of all bodies of water located within the Property and to control the growth

and eradication of plants, fowls, reptiles, animals, fish and fungi in and around any water body within the Property. Owners shall have no riparian or littoral rights with respect to the waters in any water body in the Property and shall not be permitted to withdraw water from the same without the prior written consent of the Board of Directors. Nothing in this Section shall be deemed to limit Declarant's ability to alter drainage and water flow as necessary for the development of the property, and in compliance with all applicable local, state, and federal laws.

Section 11. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, shrub or other planting or thing shall be placed or permitted to remain where, in the opinion of the Board of Directors, it would create an unsafe condition.

Section 12. Garbage Cans, Woodpiles, Etc. All garbage cans, recycling bins, woodpiles, swimming pool pumps, filters and related equipment, and other similar items shall be located or screened so as to be concealed from the view of neighboring streets and property. All rubbish, trash, garbage, recycling materials and yard waste shall be regularly removed and shall not be allowed to accumulate. Declarant, however, hereby expressly reserves the right to dump and bury rocks and trees on property within the Property as needed for efficient construction. Trash, garbage, debris, yard waste or other waste matter of any kind may not be burned within the Property. Trash, recycling and yard waste receptacles shall be placed at the curb no earlier than 5:00 p.m. the day before pick up and shall be removed within twenty-four (24) hours. Trash removal, recycling and yard waste pick-up shall also be subject to such reasonable rules and regulations as the Board of Directors may adopt from time to time.

Section 13. Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval in accordance with the provisions of Article VI. Declarant, however, hereby expressly reserves the right to subdivide and/or revise and re-record the subdivision plat of any Lot(s), and to approve the revision and re-recording of any plat of any Lot(s) owned by any builder or developer, including, but not limited to, changing any Lot to Association Property or creating a public or private street over any Lot or property that was formerly a Lot, without the consent of any Person, other than the owner(s) of such property.

Section 14. Firearms and Fireworks. The discharge of firearms and fireworks within the Property is prohibited. The term "firearms" includes, but is not limited to, "B-B" guns, pellet guns, archery equipment and firearms of all types, regardless of size.

Section 15. Fences. No fence or fencing type barrier of any kind shall be placed, erected, allowed or maintained upon any Lot without prior written approval in accordance with the provisions of Article VI and in compliance with applicable Architectural Guidelines. Guidelines detailing acceptable fence styles or specifications may be issued pursuant to Article VI, but in no event may a chain-link or barbed-wire fence be approved. Notwithstanding the foregoing, Declarant and the Association may erect any type of fence on the Association Property or elsewhere within the Property as they may deem appropriate or as necessary to satisfy the requirements of any law, regulation or governmental entity or for the health and safety of the owners and occupants of any Lot. Any fence originally installed by Declarant on a Lot shall not

be removed, replaced, altered or modified by the owner of such Lot without prior written approval in accordance with the provisions of Article VI.

Section 16. Utility Lines. No overhead utility lines, including lines for cable television, shall be installed within the Property except for temporary lines as required during construction and lines installed by or at the request of the Declarant.

Section 17. Air-Conditioning Units. No window air conditioning units may be installed in any building at the Property.

Section 18. Lighting. Exterior lighting on any Lot visible from the street shall not be permitted, except for: (a) approved lighting as originally installed on a Lot; (b) one decorative post light; (c) street lights in conformity with an established street lighting program for the Property; (d) seasonal decorative lights for a reasonable period of time during the holiday season as may be determined by the Board of Directors in its sole discretion; (e) front house illumination of model homes; or (f) other lighting approved under and pursuant to Article VI or as may be otherwise permitted under applicable Architectural Guidelines. Religious or holiday symbols and decorations may be displayed on a Lot of the kinds normally displayed in single-family residential neighborhoods; provided, however, the Association may adopt reasonable time, place and manner restrictions with respect to said symbols and decorations visible from outside of a structure located on a Lot, including, without limitation, limitations on appearance, style, size, and number.

Section 19. Artificial Vegetation, Gardens, Play Equipment, Exterior Sculpture, Water Features and Similar Items. No artificial vegetation shall be permitted in the Property. No vegetable garden, hammock, statuary, play equipment (including, without limitation, basketball goals), exterior sculpture, fountains or water features may be erected on any Lot without prior written approval in accordance with the provisions of Article VI and/or in compliance with the Architectural Guidelines established thereunder.

Section 20. Flags. Except for flags which may be installed by the Declarant, no flags may be displayed on any Lot without prior written approval in accordance with the provisions of Article VI or as may be otherwise permitted in the Architectural Guidelines established thereunder; provided, however no such approval shall be required to display the flag of the United States of America and the current flag of the State of South Carolina on a Lot in accordance with the provisions of the U.S. Flag Code (36 U.S. Code 10) and usual and customary practice. The Board of Directors may promulgate reasonable rules and regulations with respect to the display of flags in the Property, including, without limitation, regulating the size of flags that may be displayed and imposing reasonable time, place and manner restrictions pertaining to the display of the United States flag; provided, however, the Board of Directors shall not enact any rule or regulation which has the effect of prohibiting any owner of a Lot from displaying the flag of the United States of America on a Lot in contravention of the Freedom to Display the American Flag Act of 2005.

Section 21. Conservation Equipment. No solar energy collector panels or attendant hardware or other conservation equipment shall be constructed or installed on a Lot unless as an integral and harmonious part of the architectural design of a structure or otherwise screened from

view and approved in accordance with the provisions of Article VI or otherwise permitted in the Architectural Guidelines.

Section 22. Swimming Pools. No swimming pool shall be constructed, erected or maintained upon any Lot without prior written approval in accordance with the provisions of Article VI and in no event shall any above-ground swimming pool be permitted; provided, however, portable or inflatable wading pools designed for use by small children shall be permitted so long as they are properly maintained and stored out of view from neighboring property or the public streets when not in use.

Section 23. Clotheslines. No exterior clotheslines of any type shall be permitted within the Property.

Section 24. Entry Features. Owners shall not alter, remove or add improvements to any entry features or streetscapes constructed or erected by or on behalf of the Declarant or the Association on any Lot in connection with the original development of the Property, or any part of any easement area associated therewith without prior approval in accordance with the provisions of Article VI.

Section 25. Window Treatments. No foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades or for any other purpose. The side of all window treatments, with the exception of stained wood blinds or shutters, which can be seen at any time from the outside of any structure located on a Lot shall be white, off-white or such other color(s) as may be permitted in the Architectural Guidelines. Bed sheets, blankets, towels, black plastic, paper and similar type items shall not be used as window treatments.

Section 26. Garage Sales. No garage sale, carport sale, yard sale, flea market, or similar activity shall be conducted in any portion of the Property without the prior written consent of the Board of Directors. If permitted, such activities shall be subject to all reasonable conditions that the Board of Directors may impose.

Section 27. Outbuildings and Similar Structures. No structure of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, camper, shack, tent, garage, barn or other structure may be used as a residence, either temporarily or permanently, without written approval under Article VI hereof or in compliance with applicable Architectural Guidelines. However, this Section 27 shall not be construed to prevent Declarant and those engaged in development, construction, marketing, property management or sales in the Property from using sheds, trailers or other temporary structures for any of the foregoing purposes. In addition, nothing in this Section 27 shall be construed as preventing Declarant from developing, constructing, marketing, or maintaining model homes, speculative housing or sales trailers and construction trailers on Lots in the Property.

Section 28. Decks, Patios and Porches. No laundry, garments, towels or objects other than potted plants, grills and patio furniture, shall be placed on a deck, patio or porch, except as may be authorized by the Board of Directors or permitted under applicable Architectural

Guidelines. Objects shall not be permitted to hang over or be attached to any deck, patio or porch or to otherwise protrude outside of the vertical plane formed by the exterior surface of any deck, patio or porch. No deck, patio or porch shall be enclosed without prior approval in accordance with the provisions of Article VI.

Section 29. Address Markers. All address markers and/or address posts shall be of the same type and color as originally installed on a Lot and any modification to or change in address markers and/or address posts shall require the prior written approval pursuant to Article VI.

Section 30. Restricted Use of Open Space. Any development and construction activities in the Association Property, if any, shall be governed by applicable Aiken County, South Carolina rules, regulations and ordinances and the owners of all Lots shall comply with such rules, regulations and ordinances. The Association and Declarant shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the Association Property.

Section 31. Enforcement by Members. In the event that the owner of any Lot, or any person who is entitled to occupy any Lot, shall fail to comply with or abide by any restriction set forth in this Article VII, then the owner of any other Lot who is aggrieved by such failure of compliance or abidance shall have the right to proceed at law or in equity to compel such owner or such occupant to comply therewith and abide thereby. Additionally, any owner of any Lot who, or whose lessee, shall fail to comply with or abide by any such restriction shall be liable for any damages as may be suffered by any other owner of any Lot as a consequence of such failure.

ARTICLE VIII MAINTENANCE OF HOMES AND LOTS

Section 1. Maintenance of Lots. The owner of each Lot shall be obligated to keep and maintain all portions of his Lot and the portion of the right-of-way on which his Lot is located lying between his Lot and the pavement of the road within such right-of-way in a neat, sanitary and attractive condition which is satisfactory to the Board of Directors. In the event that the owner of any Lot shall fail to maintain all portions of such Lot and the aforesaid portion of the right-of-way in a satisfactory condition, the Board of Directors shall have the right, exercisable by it or through its agents or employees, and after giving to the owner of such Lot at least fourteen (14) days' notice and an opportunity to correct the unsatisfactory condition, to enter upon such Lot and such portion of such right-of-way and correct the unsatisfactory condition, including, without limitation, cutting the grass, weeds, and other vegetation, and removing dead trees, shrubs and other plants. The owner of the Lot upon which, or upon the right-of-way adjoining which, such maintenance work is performed by Association (or its agents or employees) shall be personally liable to the Association for all direct and indirect costs as may be incurred by the Association in connection with the performance of such maintenance work, and the liability for such costs shall be secured by all the liens, and shall be subject to the same means of collection, as are the assessments and charges provided in Article V. All such costs shall be paid to the Association by

such owner at the same time as the next due Annual Assessment payment, as provided in Section 4 of Article V, or at such earlier time, and in such installments, as the Board of Directors shall determine.

Section 2. Maintenance of Homes. The owner of each Lot shall be responsible for maintaining in good condition and repair the Home that is located on such Lot, as well as all other structures (including fences) that may be located on such Lot. Such maintenance shall include repainting the Home and any fence located on the Lot as necessary to maintain the same in a neat and attractive condition. Any maintenance that involves an exterior change, including, without limitation, repainting the exterior of any improvements on any Lot which is not owned by the Declarant in a different color or changing the materials used for the exterior of improvements located on any such Lot, shall require prior approval pursuant to and in accordance with Article VI.

ARTICLE IX INSURANCE AND CASUALTY LOSSES

Section 1. Insurance Obtained by Association.

(a) The Association shall obtain the insurance coverage necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs, and the U.S. Department of Housing and Urban Development, as applicable. Accordingly, the Board of Directors shall obtain casualty insurance for all insurable improvements, whether or not located on the Association Property, which the Association is obligated to maintain. Notwithstanding the foregoing, nothing in this Section 1 shall be construed as obligating the Association to obtain or maintain insurance on a Lot, including, without limitation, any structures or improvements located thereon or a the personal property of any owner or occupant of any Lot. Insurance obtained and maintained by the Association shall provide, at a minimum, fire and extended coverage and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors shall obtain a public liability policy applicable to the Association Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million and No/100 Dollars (\$1,000,000.00). Policies may contain a reasonable deductible as determined by the Board of Directors.

(b) In addition to the other insurance coverage required by this Section 1, the Board of Directors shall obtain workers compensation insurance, if and to the extent necessary to satisfy the requirements of applicable law, and, if available at reasonable cost, as determined in the sole discretion of the Board of Directors, a fidelity bond or employee dishonesty coverage covering directors, officers, employees and other Persons handling or responsible for the Association's funds. The amount of fidelity or employees dishonesty coverage, if obtained, shall be determined in the director's best business judgment and shall satisfy local, state or federal

requirements for such coverage, if any. Such coverage, if obtained, shall also contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall not be subject to cancellation, nonrenewal or substantial modification without at least ten (10) days' prior written notice to the Association. The Association shall also obtain construction code endorsements, steam boiler coverage and flood insurance, if and to the extent necessary to satisfy the applicable requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

Section 2. Insurance Obtained by Lot Owners. By virtue of taking title to a Lot, each owner of a Lot acknowledges that the Association has no obligation to provide any insurance for any portion of a Lot and each owner of a Lot covenants and agrees with all other owners and with the Association that each owner of a Lot shall obtain and maintain the following: (a) all-risk casualty insurance on the Lot and all structures, dwellings and improvements located or constructed thereon, which shall cover loss or damage by fire and other hazards commonly insured under an all-risk policy, if reasonably available, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard; (b) insurance covering the personal property of the owner and occupant(s) of the Lot; and (c) a liability policy covering damage or injury occurring on a Lot. The policies required hereunder shall be in effect at all times.

Section 3. Damage and Destruction -- Insured by Association. Immediately after damage or destruction by fire or other casualty to any portion of any structure or improvement covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, a proposal not to repair or reconstruct such property is approved by at least seventy-five percent (75%) of the Class A Members and the Declarant. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the members of the Association, levy a special assessment against the owner of each Lot. Additional assessments may be made in like manner, as necessary, at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess funds shall be deposited to the benefit of the Association. In the event that it should be determined by the Association in the manner described above that the

damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, the property shall thereafter be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard and this Declaration.

Section 4. Damage and Destruction -- Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any structure or improvement located on a Lot shall be repaired or reconstructed by the owner thereof in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article VI. Said repair or reconstruction shall be completed within seventy-five (75) days after such damage or destruction occurred or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be completed within a reasonable period of time thereafter. Alternatively, the owner of the Lot may elect to demolish all improvements on the Lot and remove all debris and ruins therefrom within seventy-five (75) days after such damage or destruction occurred and thereafter maintain the Lot in a neat and attractive, landscaped condition consistent with the Community-Wide Standard and this Declaration. The owner shall pay all costs which are not covered by insurance proceeds.

ARTICLE X EASEMENTS

Section 1. General. Each Lot shall be subject to those easements, if any, shown or set forth on the Subdivision Plats, as amended from time to time, as well as the easements now or hereafter established by the Declarant in this Declaration or by any other document recorded in the Office of the RMC for Aiken County, South Carolina.

Section 2. Easements for Use and Enjoyment. Every owner and occupant of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Association Property which shall be appurtenant to and shall pass with the title to each Lot, subject to the following:

(a) the right of the Association to suspend the right of an owner to use and enjoy the Association Property, including, without limitation, the recreational facilities, for any period during which any past due assessment against any Lot of the owner remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws, Rules and Regulations or Architectural Guidelines;

(b) the right of the Association to limit the number of Persons who may use the Association Property, including, without limitation, the recreational facilities, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by authorized users and their guests and invitees;

(c) the right of the Association to borrow money for the purpose of improving the Association Property, or any portion thereof, or for constructing, repairing or improving any facilities located or to be located thereon and, upon the affirmative vote of the owners of at least two-thirds (2/3) of the Lots and the consent of Declarant, to give as security for the payment of

any such loan a Mortgage conveying all or any portion of the Association Property; provided, however, the lien and encumbrance of any such Mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant or any owner of a Lot or the holder of any Mortgage encumbering any Lot or other property located within the Property (regardless of any contrary provision in this Declaration or in any such Mortgage given by the Association, the exercise of any rights by the holder of such Mortgage in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant or any Owner or the holder of any Mortgage encumbering any Lot or other property located within the Property);

(d) the right of the Association, acting through the Board of Directors and without a vote of the members, to dedicate or grant licenses, permits, easements and rights-of-way over, under and through the Association Property;

(e) the right of the Association to transfer or convey title to all or any portion of the Association Property upon the approval of the owners of at least two-thirds (2/3) of the Lots and the consent of Declarant;

(f) all other rights of the Association, Declarant, and owners and occupants of the Lots set forth in this Declaration, in any Supplementary Declaration, or in any deed conveying Association Property to the Association;

(g) the rights of a holder or a person having a third-party right of enforcement under a conservation easement over any portion of the Association Property (the Association acting through the Board of Directors and without a vote of the membership may grant a conservation easement, as such term is defined in S.C. Code Ann. §27-8-10, *et seq.*, over any portion of the Association Property and shall accept Association Property which has been encumbered with a conservation easement or conservation covenants by the Declarant or any other predecessors in title); and

(h) all encumbrances and other matters shown by the public records affecting title to the Association Property.

Section 3. Easements for Utilities. There is hereby reserved to the Declarant and granted to the Association a blanket easement upon, across, above and under all property within the Property for access, ingress, egress, installing, altering, repairing, replacing, and maintaining all utilities serving the Property or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which the Declarant or the Association decides to have installed to serve the Property. Declarant, the Association or their respective designees, as the case may be, may alter drainage and water flow, install, repair, replace and maintain or authorize the installation, repair, replacement and maintenance of such wires, conduits, cables and other equipment related to the providing of any utility or service. Should any party furnishing any such utility or service request a specific license

or easement by separate recordable document, Declarant or the Board of Directors shall have the right to grant such easement. The Board of Directors, without a vote of the Members, shall have the right, power and authority to grant permits, licenses, utility easements or other easements under, through, or over the Lots and/or the Association Property as may be reasonably necessary to or desirable for the ongoing operation and maintenance of the Property.

Section 4. Easement for Emergency Entry. The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security and safety reasons and to inspect for the purpose of ensuring compliance with this Declaration, any Supplementary Declaration, Bylaws, Rules and Regulations, and Architectural Guidelines, which right may be exercised by any member of the Board, the officers, agents, employees, and managers of the Association and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the owner of the Lot. This right of entry shall include the right of the Association to enter upon any Lot to cure any condition which may increase the possibility of a fire, slope erosion or other hazard in an emergency situation and in the event an owner fails or refuses to cure the condition within a reasonable period of time after requested by the Association, but shall not authorize entry into any Home located on a Lot without the permission of the owner of the Lot.

Section 5. Easement for Maintenance. Declarant hereby grants to the Association a perpetual easement across the exterior portions of all Lots as may be reasonably necessary for the maintenance required hereunder. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment of all Lots, reasonable steps shall be taken to protect such property and damage shall be repaired by the Association or its contractor(s) at their sole cost and expense.

Section 6. Easement for Entry Features and Streetscapes. There is hereby reserved to the Declarant and granted to the Association an easement for ingress, egress, installation, construction, landscaping and maintenance of entry features and similar streetscapes for the Property, over and upon any portion of a Lot containing such entry features or streetscapes as may be more fully described on the Subdivision Plats. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around the entry features and streetscapes and the right to grade the land under and around the same.

Section 7. Easement for Drainage. There is hereby reserved by the Declarant and granted to the Association an easement upon, across, above and under all storm water drainage easement areas as shown on the Subdivision Plats for access, ingress, egress, installing, altering, repairing, replacing, and maintaining the storm water drainage system and related facilities serving the Property or any portion thereof. This easement shall include the right to construct and maintain catch basins, retention ponds, detention ponds, drainage swales, storm sewers, storm drains, sloping banks, cut or fill. In addition, there is hereby reserved to the Declarant and granted to the Association a blanket easement across all Lots for creating and maintaining satisfactory drainage at the Property; provided, however, such easement area shall not include any portion of a Lot

within the outer perimeter of the dwelling structure. It is anticipated that increased storm water run-off across downstream Lots will result from the construction of impervious surface within or adjacent to the Property. Neither the Declarant, the Association nor any builder or owner of a Lot constructing according to plans and specifications approved under Article VI hereof shall have any liability to any owner of a Lot due to the increased flow or increased velocity of surface water resulting from approved construction within the Property.

Section 8. Easement During Construction and Sale Period. Notwithstanding any provisions now or hereafter contained in this Declaration, the Bylaws, Articles of Incorporation, Rules and Regulations, Architectural Guidelines, and amendments or revisions thereto, Declarant reserves an easement across the Property to maintain and carry on, upon such portion of the Property as it may reasonably deem necessary, such facilities and activities as in its sole opinion may be required or convenient for its development, construction and sales activities related to property hereby and hereafter subjected to this Declaration or for the development, construction or benefit of any neighboring property, including, but not limited to: (a) the right to place or authorize the placement of marketing and directional signs on Lots or right-of-way(s) at street intersections within the Property; (b) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Property, including, without limitation, any Lot; (c) the right to tie into any portion of the Property with streets, driveways, paths, parking areas and walkways; (d) the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, cable television, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Property; (e) the right to grant easements over, under, in or on the Property, including without limitation the Lots, for the benefit of neighboring properties for the purpose of tying into and/or otherwise connecting and using sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Property; (f) the right to convert a Lot or any portion thereof (with the consent of the owner thereof) to Association Property and/or streets; (g) the right, without the consent of any Person, to subdivide and/or revise and re-record the Subdivision Plats, including, without limitation, creating and/or more specifically describing any Lot, changing any Lot or portion of a Lot to Association Property or creating a public or private street over all or any portion of a Lot or other property within the Property; provided, however, the boundary lines of any Lot not owned by Declarant shall not be changed without the written consent of the owner(s) and mortgagee(s) of such Lot; (h) the right to construct utilities, recreational facilities and other improvements on Association Property; (i) the right to carry on sales, leasing and promotional activities in the Property; and (j) the right to construct and operate business offices, signs, construction trailers, model residences and sales or leasing offices. Declarant may use residences, offices or other buildings owned or leased by Declarant as model residences and sales or leasing offices. This Section 8 shall not be amended without the written consent of Declarant until the rights of Declarant have terminated as provided in this Declaration.

ARTICLE XI
AMENDMENT

Section 1. By the Declarant.

(a) This Declaration may be amended unilaterally at any time and from time to time by Declarant if such amendment is: (i) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation or judicial determination which shall be in conflict therewith; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots; or (iv) necessary to enable any governmental agency or private insurance company, including without limitation, the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs, to insure or guarantee Mortgage loans on the Lots; provided, however, such amendment shall not materially adversely affect the substantive rights of any owner to use his or her Lot without the consent of the affected owner.

(b) Further, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not: (i) materially adversely affect the substantive rights of any owner to use and enjoy his Lot hereunder without the consent of the affected owner; (ii) adversely affect title to any Lot without the consent of the affected owner; or (iii) adversely affect the rights of the holder of any security interest granted by Declarant without the written consent of the such holder. In addition to Declarant's right to amend this Declaration as set forth above, for a period of ten (10) years after the recording of this Declaration in the records of the Office of the RMC of Aiken County, South Carolina, Declarant shall have the unilateral right (without the approval of the members of the Association), to add property as part of the Property" subject to the terms of the Declaration, provided that such additional property is located within one (1) mile of the exterior boundary of the original property subject to this Declaration, and such additional property is owned by Declarant.

Section 2. By the Board of Directors. The Board of Directors, with the written consent of the Declarant, and without a vote of the Members, may amend this Declaration: (i) to elect to be governed by and thereafter comply with the provisions of the South Carolina Homeowners Association Act, S.C. Code Ann. § 27-30-110, *et seq.*; (ii) to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (iii) to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (iv) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots subject to this Declaration; or (v) to enable any governmental agency or private insurance company, including without limitation, the U.S. Department of Housing and Urban Development

and the U.S. Department of Veterans Affairs, to insure or guarantee Mortgage loans on the Lots subject to this Declaration; provided, however, such amendment shall not materially adversely affect the substantive rights of any owner to use his Lot without the consent of the affected owner.

Section 3. By the Association. In addition to the above, this Declaration may be amended upon the affirmative vote or written consent or any combination thereof of owners of at least two-thirds (2/3) of the Lots and the consent of Declarant.

Section 4. Effectiveness of Any Amendment. No amendment to this Declaration shall be effective unless and until such amendment is made by written instrument recorded in the Office of the RMC for Aiken County, South Carolina, setting forth the applicable provision (Section 1, Section 2, or Section 3 of this Article XI) under which the Declaration is being amended. If the Declaration is being amended pursuant to Section 2 or Section 3 of this Article XI, such amendment must be certified by the incumbent Secretary of the Association and include a statement that the approval of the members of the Association or the Board of Directors, as applicable, has been given and obtained; and containing the written approval of the Declarant, if the same is required. The matters set forth in such instrument shall be presumed to be true and accurate and the amendment which is set forth in such instrument shall be effective, unless it shall be determined by a court of competent jurisdiction that the matters certified to in such instrument are not true and accurate. No amendment to this Declaration may in any way restrict the right of the owner of any Lot or any Home to lease or rent the same, unless the owner of the Lot and Home shall have approved said amendment in a written, recordable instrument.

Section 5. Acknowledgement of Amendment Procedures. Each Person who shall own any Lot, by acceptance of a deed or other conveyance thereto, and by acceptance of such ownership, and by taking record title thereto, and each holder of a Mortgage upon any portion of any Lot, by acceptance of such Mortgage, thereby agrees that this Declaration may be amended as provided in this Article XI.

ARTICLE XII MISCELLANEOUS

Section 1. Enforcement. Each owner and occupant of any Lot shall comply strictly with the Bylaws, Rules and Regulations, and Architectural Guidelines, as amended or modified from time to time, and with the covenants, conditions, easements and restrictions set forth in this Declaration, the Subdivision Plats and in the deed to such Lot, if any. The failure to comply with any of the foregoing shall be grounds for an action to recover sums due for damages, injunctive relief or both, and shall include, without limitation, reasonable attorneys' fees actually incurred by the Association, Declarant, or an aggrieved owner if a Lot. The Declarant or the Association, acting through the Board of Directors, may impose fines or other sanctions for violations of the foregoing in accordance with this Declaration and the Bylaws, which fines shall be collected as provided herein for the collection of assessments; provided, however, only one fine may be imposed for a single violation such that an owner or occupant of a Lot may not be fined by Declarant and the Association for the same violation; and provided, further, Declarant or the Association, as the case may be, may count each day a violation continues after notice thereof as

a separate violation. In the event fines or other sanctions are imposed by Declarant, Declarant shall have any and all rights to collect such fines or sanctions (which fines shall be payable to the Association) and any related charges, including, without limitation, attorneys' fees actually incurred and costs of collection, in the same manner as provided herein for the collection of assessments by the Association acting through the Board of Directors. The failure by the Declarant or the Association to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. Declarant or the Association shall have the right to record in the appropriate land records a notice of violation of the Declaration, Bylaws, Rules and Regulations, or Architectural Guidelines and to assess the cost of recording and removing such notice against the Lot of the owner who is responsible (or whose occupants are responsible) for the violation.

Section 2. Occupants Bound. All provisions of the Declaration, Bylaws, Rules and Regulations, and Architectural Guidelines which govern the conduct of owners of Lots and which provide for sanctions against owners of Lots shall also apply to all occupants and the guests and invitees of owners and occupants of Lots. The owner of a Lot shall be responsible for insuring that occupants, guests, invitees and licensees strictly comply with all provisions of the Declaration, Bylaws, Rules and Regulations, and Architectural Guidelines. If a fine is first levied against an occupant and is not timely paid, the fine may then be levied against the owner of the Lot.

Section 3. Self-Help. In addition to any other remedies provided for herein, the Association, acting through the Board of Directors, Declarant or their respective duly authorized agents, shall have the power to enter upon any Lot or any other portion of the Property to abate or remove any structure, improvement, thing or condition which violates this Declaration, the Bylaws, the Rules and Regulations, or the Architectural Guidelines. Unless an emergency situation exists, the violating owner shall be given ten (10) days' written notice of the intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after giving any notice required herein or by law, in accordance with Article VII, Section 3. All costs of self-help, including, without limitation, reasonable attorneys' fees actually incurred, shall be assessed against the Lot of the violating owner as a specific assessment.

Section 4. Duration. The covenants, conditions, restrictions and easements contained in this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association, Declarant and any owner of any Lot, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent provided by law; provided, however, if and to the extent that South Carolina law limits the period during which covenants restricting land to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time, any such provision(s) shall be: (a) automatically extended for successive periods of twenty (20) years (or the maximum period allowed by applicable law, if less), unless a written instrument signed by the then owners of at least two-thirds (2/3) of the Lots has been recorded within the year immediately preceding the beginning of a twenty (20) year renewal period agreeing to change such provisions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated to the extent specified therein; or (b) extended, renewed, modified or terminated as otherwise provided herein or by applicable law.

Section 5. Termination of Rights of Declarant. The rights of Declarant to take, approve or consent to actions under this Declaration, the Articles of Incorporation and the Bylaws shall cease and be of no further force and effect upon the earlier of: (a) the date that the Declarant no longer owns any property additional property to the Subdivision as provided herein and a certificate of occupancy has been issued for the Home located on each Lot; or (b) the date of recording by Declarant in the Office of the RMC for Aiken County, South Carolina of a written instrument terminating all of Declarant's rights hereunder.

Section 6. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine or feminine pronoun shall include the neuter, masculine and feminine.

Section 7. 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 provision of this Declaration to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any 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.

Section 8. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, 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.

Section 9. No Merger. There shall be no merger of any of the covenants, conditions, restrictions or easements created or reserved hereby with the fee estate of Declarant, by reason of the fact that Declarant may own or hold the estate or interest both encumbered and benefited by such covenants, conditions, restrictions or easements and no such merger shall occur unless and until Declarant, while owning all of the estate or interests shall execute a written statement or instrument affecting such merger and shall duly record the same.

Section 10. Notices. Except as otherwise specifically provided in such document(s), as the case may be, notices provided for in this Declaration or the Articles or Bylaws shall be in writing, and shall be addressed to an owner of a Lot at the address of the Lot and to the Declarant and to the Association at the address of their respective registered agent on file with the Secretary of State of the State of South Carolina. Any owner of a Lot may designate a different address, including an electronic mail address, for notices to such owner by giving written notice to the Association. Owners shall keep the Association advised of their current address and phone number(s) where they can be reached. Notices addressed as above shall be mailed by United States Registered or Certified Mail, return receipt requested, postage paid, or delivered in person, including delivery by Federal Express or other reputable commercial courier service, or issued electronically in accordance with Chapter 6 of Title 26 of the Official Code of South Carolina Annotated, the "Uniform Electronic Transactions Act". The time period in which a response to any such notice must be given or any action taken with respect thereto, shall commence to run from the date of personal delivery or date of receipt shown on the return receipt. Rejection or other

refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice sent.

Section 11. No Discrimination. No action shall be taken by the Declarant, the Association or the Board of Directors which would discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or disability.

Section 12. Security. ALL OWNERS, OCCUPANTS, GUESTS, LICENSEES, AND INVITEES, AS APPLICABLE, ACKNOWLEDGE THAT DECLARANT, THE ASSOCIATION AND ITS BOARD OF DIRECTORS, AND THE ARCHITECTURAL REVIEW COMMITTEE, IF ANY, DO NOT REPRESENT OR WARRANT THAT ANY SAFETY OR SECURITY MEASURES WILL BE IMPLEMENTED AT THE PROPERTY OR, IF IMPLEMENTED, THAT SUCH SAFETY OR SECURITY MEASURES MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR THAT ANY SUCH SAFETY OR SECURITY MEASURES WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THEY ARE DESIGNED. EACH OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS AND THE ARCHITECTURAL REVIEW COMMITTEE, IF ANY, ARE NOT INSURERS OR PROVIDERS OF SAFETY OR SECURITY AND SHALL HAVE NO DUTY TO PROVIDE ANY SAFETY OR SECURITY ON THE COMMON PROPERTY OR OTHERWISE; AND THAT EACH OWNER, OCCUPANT, GUEST, LICENSEE, AND INVITEE ASSUMES ALL RISKS OF PERSONAL INJURY AND PROPERTY DAMAGE AND FURTHER ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS, AND THE ARCHITECTURAL REVIEW COMMITTEE, IF ANY, HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SAFETY OR SECURITY MEASURES IMPLEMENTED OR APPROVED.

Section 13. Indemnification. To the fullest extent allowed by the South Carolina Nonprofit Corporation Act, and in accordance therewith, the Association shall indemnify every current and former officer, director and committee member against any and all expenses, including, but not limited to, attorneys' fees, imposed upon or reasonably incurred by any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director or committee member may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and

all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

Section 14. Notice of Sale, Acquisition or Lease. Owners of Lots must keep the Association apprised of their name, address and telephone number, and the name, address and telephone number of any lessee or other occupant. Accordingly, prior to the sale of a Lot, the owner shall provide the Association with written notice of the name of the purchaser and such other information as the Board may reasonably require. Upon acquisition of a Lot, each new owner shall provide the Association with written notice of the name, mailing address and telephone number of the owner, the names of the occupants of the Lot, if any, and such other information as the Board may reasonably require. Further, an owner shall provide the Association with such information and documentation as may be required under Section 4(b) of Article VII in connection with the leasing of any Lot. All owners shall notify the Association of any change in name, address or telephone number.

Section 15. Agreements. Subject to the prior approval of Declarant, all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board of Directors, shall be binding upon all owners of Lots, 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.

Section 16. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by at least seventy-five percent (75%) of the Class A Members and the Declarant. This Section shall not apply to: (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided herein; (c) proceedings involving challenges to *ad valorem* taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association against any contractor, vendor, or supplier of goods or services arising out of a contract for goods or services to which the Association is a party. This Section shall not be amended unless such amendment is made unilaterally by the Declarant as provided herein or is approved by the percentage votes necessary to institute proceedings as provided above.

[SIGNATURES CONTAINED ON FOLLOWING PAGE.]

CONSENT OF LENDER

The undersigned, **CF KL DEV LLC**, a Delaware limited liability company (the “Lender”), is the owner and holder of that certain Promissory Note dated as of April 5, 2022 from KD Owner 2 LLC, a Delaware limited liability company (the “Borrower”), to Lender, which is secured by that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of April 5, 2022 from Borrower to and in favor of Lender, and recorded in Record Book 5012, Page 1113, *et seq.*, of the Office of Register of Deeds of Aiken County, South Carolina (as it may be amended or supplemented from time to time, the “Security Instrument”). Lender does hereby consent to the terms and provisions of the Declaration to which this Consent of Lender (the “Consent”) is attached, and agrees that any foreclosure effectuated under and/or with respect to the Security Instrument shall not terminate, extinguish or otherwise affect the Declaration and that any foreclosure purchaser shall acquire title to the property subject to the Declaration. This Consent is and shall be binding upon Lender, its successors and assigns (including, without limitation, any purchaser at a foreclosure sale under and with respect to the Security Instrument).

[SIGNATURE CONTAINED ON FOLLOWING PAGE.]

EXHIBIT "A"

Legal Description

ALL that certain piece, parcel or tract of land, together with any improvements thereon, situate, lying and being in Aiken County, South Carolina, measuring and containing 20.71 acres, more or less, as shown on a plat prepared by William R. Gore Professional Land Surveyors, Inc., dated August 25, 2021, and recorded in the Office of the RMC for Aiken County, South Carolina, on January 12, 2022, in Plat Book 63, Page 709, *et seq.*

TMS Nos.: 11048-00-08-007 and 048-00-08-011

Such tract or parcel containing the land shown on that certain record plat titled "Cypress Point – Phase 2" prepared by William R. Gore, PLS (S.C. Land Survey No. 11811) on behalf of William R. Gore Professional Land Surveyors, Inc., dated August 8 2021 recorded on January 31 2025, in Plat Book 66, Page 634, in the Office of the RMC for Aiken County, South Carolina.

EXHIBIT "B"

BYLAWS

OF

CYPRESS POINT HOMEOWNERS ASSOCIATION OF AIKEN, INC.

ARTICLE I

NAME, OFFICE, MEMBERSHIP AND DEFINITIONS

Section 1.1 Name. The name of the corporation shall be the Cypress Point Homeowners Association of Aiken, Inc., a South Carolina nonprofit corporation (the "Association").

Section 1.2 Office. The Association shall at all times maintain a registered office in the State of South Carolina and a registered agent at that address. The Association may also have such other offices as the Board of Directors shall determine.

Section 1.3 Membership. The Association shall have two classes of membership, Class A and Class B, which classes of membership shall have the rights conferred upon them by the Declaration and the Articles of Incorporation of the Association, and these Bylaws, as is more fully set forth in that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for Cypress Point – Phase 2 (as amended, supplemented, renewed, or extended from time to time, the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

Section 1.4 Definitions. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context requires otherwise, or the meanings given in the South Carolina Nonprofit Corporation Act of 1994 (S.C. Code Ann. Section 33-31-101, *et seq.*) (the "Nonprofit Act"). Statutory references shall be construed as meaning the referenced statute or portion thereof as the same may exist from time to time.

ARTICLE II

MEETINGS

Section 2.1 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either at the Property or as convenient thereto as possible and practical.

Section 2.2 Annual Meeting. From and after there shall be a Class A member of the Association, a meeting of the members of the Association shall be held annually at such time and place on such date as the Board of Directors shall determine from time to time, to receive the reports of the outgoing Board of Directors, to install directors for the ensuing year and to transact such other business as may come before the meeting. No meetings of members shall be required prior to there being a Class A member.

Section 2.3 Special Meetings. The President or the Board of Directors may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association upon the delivery of a petition signed and dated by members entitled to cast at least twenty-five percent (25%) of the votes and describing the purpose or purposes for which it is to be held. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose(s) thereof. No business shall be transacted at a special meeting, except those matters that are within the purpose or purposes described in the notice.

Section 2.4 Record Date; Membership List. The Board of Directors shall fix in advance a record date for a determination of members entitled to notice of and to vote at any meeting of members or any adjournment thereof, or to make a determination of members for any other purpose, such date to be not more than seventy (70) days before the date on which the particular action requiring such determination of members is to be taken.

After the record date for any meeting is established by the Board of Directors, the Secretary shall prepare an alphabetical list of the names and addresses of all of the members who are entitled to notice of the meeting. Beginning at least two (2) business days after notice is given of the meeting for which the list was prepared, the list of members shall be available for inspection by any member or a member's agent or attorney: (1) on a reasonably accessible electronic network, provided that the information required to gain access to such list is included with the notice of the meeting or upon request; or (2) during ordinary business hours at the Association's principal office or at such other reasonable place as may be specified in the notice in the city where the meeting will be held. In the event that the Association makes the list available on an electronic network, the Association may take reasonable steps to ensure that such information is available only to members of the Association. In addition, the list shall be available for inspection at the meeting or any adjournment thereof.

Section 2.5 Notice of Meetings. It shall be the duty of the Secretary or such other agent as the Association may designate to mail or to cause to be delivered to each member (as shown in the records of the Association as of the record date) a written notice of each annual or special meeting of the Association stating the date, time and place where it is to be held and, if and to the extent required by the Nonprofit Act or other applicable law (the "Governing Law"), the purpose(s) thereof. Such notice shall be delivered personally or sent by United States mail, postage prepaid, statutory overnight delivery, or sent by electronic transmission in accordance with the Nonprofit Act to all members of record at the address shown in the Association's current records. If an owner wishes notice to be given at an address other than the Lot, the owner shall designate by notice in writing to the Secretary such other address. Notices shall be mailed or delivered not less than ten (10) days (or if notice is mailed by other than first-class or registered mail, thirty (30) days) nor more than fifty (50) days in advance of any annual, regularly scheduled or special meeting. If any meeting of the members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If, however, a new record date is or must be fixed under the Governing Law, notice of the adjourned meeting shall be given to persons who are members of record as of the new record date.

Section 2.6 Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing or by electronic transmission

signed by the member entitled to notice and delivered to the Association for inclusion in the minutes for filing with the Association's records, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of lack of notice or defective notice, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 2.7 Quorum. A quorum shall be deemed present throughout any meeting of the members until adjourned if members, in person or by proxy, entitled to cast more than one-fourth (1/4) of the votes of the Association are present at the beginning of such meeting. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 2.8 Voting. The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein. On all matters upon which the members are entitled to vote, each member shall be entitled to cast one (1) vote for each Lot in which he shall own of record a fee interest or an undivided fee interest. In no event, however, shall more than one vote be cast with respect to any Lot. During any period in which a member shall be in default in the payment of any amount due and owing to the Association, the vote which is allocated to any Lot in which such member owns a fee interest shall not be counted for any purpose.

Section 2.9 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxy appointment forms shall be in writing, signed either personally or by an electronic transmission, dated, and filed with the Secretary before the appointed time of each meeting. An electronic transmission must contain or be accompanied by information acceptable to the Board of Directors from which it can be determined that the member, the member's agent, or the member's attorney-in-fact authorized the electronic transmission. Proxies may be delivered to the Board of Directors by personal delivery, U.S. mail or electronic transmission to the Secretary or other officer or agent authorized to tabulate votes. Every proxy shall be revocable and shall automatically cease upon: (a) receipt of notice by the Secretary of the death or judicially declared incompetence of a member; (b) receipt by the Secretary or other officer or agent authorized to tabulate votes of written revocation signed by the member; (c) receipt by the Secretary or other officer or agent authorized to tabulate votes of a subsequent appointment form signed by the member; (d) attendance by the member and voting in person at any meeting; or (e) the expiration of eleven (11) months from the date of the proxy appointment form.

Section 2.10 Adjournments. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 2.11 Action By Written Consent. Any action required or permitted to be approved by the members may be approved without a meeting if one (1) or more consents, in

writing or by electronic transmission, setting forth the action so taken, shall be signed, either personally or by an electronic transmission, and dated by members (including the Declarant, if the consent of the Declarant is required) holding the voting power required to pass such action at a meeting held on the record date for such action. The record date for such action shall be the date that the first member signs a consent. Such action shall be approved when the Secretary receives a sufficient number of such consents dated within seventy (70) days of the record date for such action. If less than unanimous consent is obtained, the approval shall be effective ten (10) days after the Secretary gives written notice of the approval to all members who did not sign a consent. Each consent in writing or by electronic transmission shall be included in the minutes of meetings of members filed in the permanent records of the Association. No consent in writing or by electronic transmission shall be valid unless: (1) the consenting member has been furnished the same material that, pursuant to the Nonprofit Act, would have been required to be sent to members in a notice of a meeting at which the proposed action would have been submitted to the members for action; or (2) the written consent contains an express waiver of the right to receive the material otherwise required to be furnished.

Section 2.12 Action By Written Ballot. Any action that may be taken at any annual, regular or special meeting of members may be taken without a meeting if approved by ballot in writing or by electronic transmission as provided herein. The Association shall deliver a ballot in writing or by electronic transmission to each member entitled to vote on the matter. The ballot in writing or by electronic transmission shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by ballot in writing or electronic transmission shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; and specify the time by which a ballot must be received by the Association in order to be counted. A timely ballot in writing or by electronic transmission received by the Association may not be revoked. Approval by ballot in writing or by electronic transmission of an action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The results of each action by ballot shall be certified by the Secretary and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

ARTICLE III BOARD OF DIRECTORS

Section 3.1 Composition. The affairs of the Association shall be governed by a Board of Directors. Directors shall be natural persons who are eighteen (18) years of age or older. Except for directors appointed by the Declarant, each director must reside at the Property and be a member or the spouse of a member; provided, however, no person may serve on the Board at the same time with such person's spouse or any co-owner or occupant of such person's Lot. The number of members of the Board of Directors shall be three (3). From and after the election of the first Board of Directors to be elected by the Class A members, the Board of Directors shall continue to consist of three (3) members.

Section 3.2 Appointment and Election. Until the termination of the Class B membership, as provided in the Declaration and the Articles of Incorporation of the Association, the members of the Board of Directors shall be elected annually by the Class B member.

From and after the termination of the Class B membership, the members of the Board of Directors (except for the members of the first Board of Directors to be elected after the termination of the Class B membership) shall be elected at each annual meeting of the members of the Association.

Each member entitled to vote shall be entitled to cast one (1) vote for each Lot owned by such member for each directorship to be filled on the Board of Directors. Cumulative voting shall not be permitted. The candidates receiving the most votes shall be elected.

Section 3.3 Nomination of Directors. Elected directors may be nominated from the floor, if a meeting is held for the election of directors and may also be nominated by a nominating committee, if established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Section 3.4 Election and Term of Office. After the Declarant's right to appoint directors and officers terminates, the Association shall call a special meeting (or take action under Section 2.11 or Section 2.12 in lieu of a meeting) and the members shall elect three (3) directors as follows: the initial term of two (2) directors shall be fixed at two (2) years and the initial term of one (1) director shall be fixed at one (1) year. Thereafter, all successors shall be elected to a term of two (2) years. At annual meetings thereafter (or pursuant to Section 2.11 or Section 2.12 in lieu of a meeting), directors shall be elected as necessary to fill vacant seats on the Board and to preserve the scheme of staggered terms with one more or one less director being elected each year than in the previous year. All eligible members of the Association may vote on all directors to be elected, and the candidates receiving the most votes shall be elected. Notwithstanding anything herein to the contrary, the members of the Board of Directors shall continue in office until their respective successors shall have been elected and take office.

Section 3.5 Removal of Directors. At any annual, regular or special meeting of the Association, any one (1) or more of the members of the Board of Directors elected by the members may be removed, with or without cause, by a majority vote of the members and a successor may then and there be elected to fill the vacancy thus created. The notice of the meeting shall state that the purpose or one of the purposes, of the meeting is removal of a director. A director whose removal by the members has been proposed shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the remaining directors. This Section 3.5 shall not apply to directors appointed by the Declarant.

Section 3.6 Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining members of the Board of Directors, though less than a quorum of the Board of Directors. The person so elected shall serve the unexpired portion of the term.

Section 3.7 Regular Meetings. Until such time as the Class B membership shall terminate, the Board of Directors shall not be required to hold regular meetings and the Board of Directors shall meet as often as the President shall determine. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after the election at such time and place as the directors may conveniently assemble. Thereafter, the Board of Directors shall meet no less frequently than four times each fiscal year, with at least one (1) meeting per quarter.

Section 3.8 Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or any two (2) directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery (including commercial delivery service) to such director's home or office; (b) written notice by first class mail, postage prepaid; (c) by telephone communication (including facsimile), either directly to the director or to the director's home or office; or (d) issued electronically in accordance with the Nonprofit Act, if the director has consented in writing to such method of delivery and has provided the Board with an address regarding the same. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited with the U.S. Postal Service at least four (4) days before the date of the meeting. Notices given by personal delivery, electronic transmission or telephone shall be given at least two (2) days before the day of the meeting.

Section 3.9 Waiver of Notice. The business transacted at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes either in writing or by electronic transmission which is included in the minutes or filed with the official records of the Association. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 3.10 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

Section 3.11 Compensation. No director shall receive any compensation from the Association for acting as such. However, a director shall be entitled in all events to reimbursement for reasonable expenses incurred in the performance of her duties.

Section 3.12 Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

Section 3.13 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association

is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 3.14 Action Without A Formal Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if one or more consents, in writing or by electronic transmission, setting forth the action so taken, shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.15 Telephonic Participation. One or more directors may participate in and vote during any meeting of the Board of Directors by telephone conference call or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board of Directors.

Section 3.16 Duties and Powers. Except as specifically provided otherwise in the South Carolina Nonprofit Corporation Act, the Declaration, the Articles of Incorporation of the Association or these Bylaws, the powers inherent in or expressly granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the members. The Board of Directors shall also have the responsibility of discharging all of the duties imposed upon the Board of Directors under the terms and provisions of the aforesaid instruments. Without limiting the generality of the foregoing, the Board of Directors shall have the following specific powers:

- (a) preparing and adopting an annual budget in which there shall be established the contribution of each member to the common expenses;
- (b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) making and amending Rules and Regulations;
- (g) opening bank accounts on behalf of the Association and designating the signatories required;

(h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations and Architectural Guidelines adopted by it, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association, which enforcement power shall include, without limitation, the power to levy fines as provided herein and in the Declaration in such amounts as from time to time the Board may deem proper in the circumstances, counting each day a violation continues after notice from the Board as a separate violation;

(i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(j) keeping books with detailed accounts of the receipts and expenditures of the Association and the actions thereof, and specifying the maintenance and repair expenses and any other expenses incurred; and

(k) authorizing contracts on behalf of the Association.

Section 3.17 Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. Declarant, or an affiliate of Declarant, may be employed as managing agent. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon ninety (90) days' written notice.

Section 3.18 Borrowing. The Board of Directors shall have the power to borrow money without the approval of the members of the Association; provided, however, except as otherwise provided in the Declaration, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the total amount of such borrowing exceeds or would exceed ten percent (10%) of the annual budget of the Association.

Section 3.19 Fining Procedure. A fine shall not be imposed (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Written notice shall be delivered to the member by first-class or certified mail sent to the address of the member shown on the Association's records, specifying:

(1) the nature of the violation, the fine to be imposed and the date, not less than ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, that the fine will take effect;

(2) that the violator may, within ten (10) days or, in the event of an unapproved sign, twenty four (24) hours, from the date of the notice, request a hearing in writing regarding the fine imposed;

(3) the name, address and telephone number of a person to contact to challenge the fine;

(4) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(5) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, of the date of the notice.

(b) If a hearing is requested within the requisite time provided above, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No fine shall be imposed prior to the date that is five (5) days or, in the event of an unapproved sign, twenty-four (24) hours, after the date of the hearing, as applicable.

(c) Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the violation recurs, the Board may, upon notice stating the nature of the violation and delivered to the member by first class or certified mail sent to the address of the member shown on the Association's records, impose a fine.

ARTICLE IV OFFICERS

Section 4.1 General Provisions. The officers of the Association shall consist of a "President", a "Vice President", a "Secretary" and a "Treasurer". In addition, the Association shall have such other officers as the Board of Directors shall deem to be desirable in connection with the administration of the affairs of the Association. The President and Treasurer shall be elected from among the members of the Board of Directors. Any two or more offices may be held by the same persons, except the offices of President and Secretary.

Section 4.2 Appointment. All of the officers of the Association shall be appointed by, and shall serve at the pleasure of, a majority of the members of the Board of Directors. The Board of Directors shall appoint the officers annually, at the first meeting of the Board of Directors following the election of directors. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 4.3 President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the members and of the Board of Directors. The President shall manage, supervise and control all of the business and affairs of the Association, and shall have all of the powers and duties which are incident to the office of the president of a corporation organized under the Nonprofit Act. The President shall keep the Board of Directors fully advised about the affairs and conditions of the Association, and shall manage and operate the business of the Association pursuant to and in accordance with such policies as may be prescribed from time to time by the Board of Directors.

Section 4.4 Vice President. The Vice President shall perform the duties of the President whenever the President shall be absent or unable to perform such duties. If neither the President

nor the Vice President shall be able to perform such duties, the Board of Directors shall appoint one of their members to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon any the Vice President by the Board or delegated to the Vice President by the President.

Section 4.5 Secretary. The Secretary shall (a) attend all meetings of the members and of the Board of Directors and shall keep the minutes thereof, (b) be responsible for the preparation and giving of all notices which are required to be given by the Declaration and these Bylaws, (c) be the custodian of the books, records, and seal of the Association, (d) affix such seal to any instrument requiring the same and attest the signature or certify the incumbency or signature of any officer of the Association; (e) keep a register of the addresses of each member of the Association, and (f) perform such other duties as the President or the Board of Directors may prescribe or are incident to the office of the secretary of a corporation organized under the Nonprofit Act. The Secretary shall perform the duties of the Treasurer of the Association in the absence or disability of the Treasurer.

Section 4.6 Treasurer. The Treasurer shall be charged with the management of the financial affairs of the Association, and shall keep full and accurate financial records and books of account showing all receipts and disbursements and of the Association, prepare all required financial data, and make such reports as may be necessary to keep the President and the Board of Directors informed at all times as to the financial condition of the Association. The Treasurer may provide for the investment of the money and other assets of the Association consistent with the needs of the Association and may disburse such money and assets in the course of the Association's business. The Treasurer shall perform the duties of the Secretary of the Association in the absence or disability of the Secretary. The Treasurer shall also perform such other duties as the President or the Board of Directors may prescribe or are incident to the office of the treasurer of a corporation organized under the Nonprofit Act.

Section 4.7 Compensation. The officers shall receive no compensation.

Section 4.8 Removal. Except for officers appointed by the Declarant, any officer may be removed, with or without cause, by the Board of Directors.

Section 4.9 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V COMMITTEES

The Board of Directors may designate advisory, standing and ad hoc committees to perform such tasks and to serve for such periods as may be designated by the Board of Directors or as provided in the Declaration. Each such committee shall be composed and shall operate in accordance with the terms of the Declaration or resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. Any advisory, standing or ad hoc committee shall not be authorized to exercise any authority of the Board of Directors under the

Articles of Incorporation, the Declaration, these Bylaws or the Nonprofit Act except as expressly provided therein.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by a resolution of the Board of Directors.

Section 6.2 Parliamentary Rules. *Roberts Rules of Order* (current edition) shall govern the conduct of all Association proceedings, when not in conflict with South Carolina law, the Articles of Incorporation, the Declaration or these Bylaws.

Section 6.3 Conflicts. If there are conflicts or inconsistencies between the provisions of South Carolina law, the Articles of Incorporation, the Declaration and these Bylaws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

Section 6.4 Certain Notices. Any member who shall sell or lease any Home in which he has a fee or undivided fee interest shall promptly give the Secretary a written notice of such sale or lease, which notice shall also set forth the name and address of such purchaser or lessee. The address so furnished for such purchaser or lessee shall be the address to which the Secretary shall send any notices to be sent to such purchaser or lessee, until such purchaser or lessee shall furnish the Secretary with another address for such purpose.

Section 6.5 Delivery of Notices. Unless otherwise prohibited by these Bylaws or the Declaration, all notices and other communications required by this Declaration or the Bylaws shall be in writing and shall be given by: (a) personal delivery; (b) United States mail, first class, postage prepaid; (c) overnight delivery; (d) electronic mail; or (e) a secure web site, provided that notice shall be deemed given via website only upon proof that the addressee has retrieved the message. Notices given by one of the methods described herein shall be given:

(i) If to a member, to the address or electronic mail address that such member has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Lot of such owner; or

(ii) If to the Association, the Board of Directors or the managing agent, to the postal address or electronic mail address of the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary. The Secretary shall promptly provide notice to all members of any such change in address.

Section 6.6 Electronic Records, Signatures and Documents. To the extent permitted by South Carolina law, the Declaration and these Bylaws, the Association and its members, officers, directors, owners and Occupants may perform any obligation or exercise any right by use of any technological means providing sufficient security, reliability, identification and verifiability, which technological means have been approved by the Board of Directors in its sole discretion.

ARTICLE VII AMENDMENTS

These Bylaws may be amended by the Board of Directors with the consent of the Declarant if such amendment is necessary to: (a) bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the Declaration; (c) enable an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make or purchase Mortgage loans on the Lots subject to the Declaration; (d) enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to the Declaration, or (e) comply with the provisions of the South Carolina Homeowners Association Act, S.C. Code Ann. § 27-30-110, *et seq.*

Declarant may unilaterally amend these Bylaws for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any owner of a Lot to use and enjoy such Lot without the consent of the affected owner.

In addition, these Bylaws may be amended upon the affirmative vote, written consent or any combination of affirmative vote and written consent of at least two-thirds (2/3) of the members and the consent of Declarant.

ARTICLE VIII INDEMNIFICATION

Each person who is or was a member of the Board of Directors or an officer of the Association shall be indemnified by the Association against those expenses (including attorneys' fees) judgments, fines and amounts paid in settlement which are allowed to be paid or reimbursed by the Association under the laws of the State of South Carolina and which are actually and reasonably incurred in connection with any action, suit, or proceeding, pending or threatened, whether civil, criminal, administrative or investigative, in which such person may be involved by reason of his being or having been a director or officer of the Association. Such indemnification shall be made only in accordance with the laws of the State of South Carolina and subject to the conditions prescribed therein.

In any instance where the laws of the State of South Carolina permit indemnification to be provided to persons who are or have been an officer or director of the Association only on a determination that certain specified standards of conduct have been met, upon application for indemnification by any such person the Association shall promptly cause such determination to be made (i) by the Board of Directors by majority vote of a quorum consisting of members of the Board of Directors not at the time parties to the proceeding; (ii) if a quorum cannot be obtained by majority vote of a committee duly designated by the Board of Directors (in which designation members of the Board of Directors who are parties may participate), consisting solely of two or more members of the Board of Directors not at the time parties to the proceeding; (iii) by special legal counsel selected by the Board of Directors or its committee in the manner prescribed in (i) or (ii), or if a quorum of the Board of Directors cannot be obtained under (i), and a committee cannot

be designated under (ii), selected by majority vote of the full Board of Directors (in which selection members of the Board of Directors who are parties may participate); or (iv) by the members, but members who are also directors who are at the time parties to the proceeding may not vote on the determination.

As a condition to any such right of indemnification, the Association may require that it be permitted to participate in the defense of any such action or proceeding through legal counsel designated by the Association and at the expense of the Association.

The Association may purchase and maintain insurance on behalf of any such persons whether or not the Association would have the power to indemnify such officers and directors against any liability under the laws of the State of South Carolina. If any expenses or other amounts are paid by way of indemnification, other than by court order, action by the members or by an insurance carrier, the Association shall provide notice of such payment to the members in accordance with the provisions of the laws of the State of South Carolina.

STATE OF SOUTH CAROLINA)
)
COUNTY OF AIKEN)

**DEED OF DEDICATION AND EASEMENT FOR
STORMWATER SYSTEMS, DETENTION POND
AND RIGHTS OF WAY
CYPRESS POINT SUBDIVISION PHASE 2**

KNOW ALL MEN BY THESE PRESENTS, that, **KD OWNER 2 LLC**, a Delaware limited liability company, with an address of 320 North Sangamon Street, Suite 1275, Chicago, Illinois 60607 ("**Grantor**"). for and in consideration of the payment of **TEN AND NO/100 DOLLARS (\$10.00)** and dedication of the within described property for the public good, paid by **AIKEN COUNTY, SOUTH CAROLINA**, a body politic and corporate and a political subdivision of the State of South Carolina, with an address of 1930 University Parkway, Aiken, South Carolina, 29801 ("**Grantee**"), the receipt of which is hereby acknowledged, has granted, bargained, sold, quitclaimed and released and by these presents does grant, bargain, sell, quitclaim and release, subject to current taxes and all easements, covenants, conditions, restrictions, and other matters of record, including, without limitation, that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of April 5, 2022 from Grantor to and in favor of **CF KL DEV LLC**, a Delaware limited liability company, and recorded in Record Book 5012, Page 1113, *et seq.*, of the Office of Register of Deeds of Aiken County, South Carolina, unto Grantee the following described property:

SEE EXHIBIT "A" ATTACHED HERETO
AND MADE A PART HEREOF.

TOGETHER WITH all and singular the rights, members, hereditaments and appurtenances to the said premises belonging or in any wise incident or appertaining thereto (the "**Property**").

TO HAVE AND TO HOLD all and singular the Property before mentioned unto Grantee in fee simple and easement forever.

The Terms "Grantor" and "Grantee" to include the plural as well as the singular, and heirs, legal representatives, successors and assigns, or other words of inheritance as shall be required by the gender of Grantor or Grantee. Any reference to one gender shall include the others, including the neuter. This instrument may be executed in counterparts.

[SIGNATURE CONTAINED ON FOLLOWING PAGE.]

2025002265
DEED
RECORDING FEES \$15.00
STATE TAX \$0.00
COUNTY TAX \$0.00
PRESENTED & RECORDED:
01-31-2025 08:30 AM
JULIE STUTTS
REGISTER OF DEEDS
AIKEN COUNTY, SC
BY: KATHLEEN BOATWRIGHT DEPUTY
BK: RB 5211
PG: 921 - 926

IN WITNESS WHEREOF, Lender has caused this Consent to be executed under seal as of this 1st day of May, 2024.

[Signature]
Witness #1
Print Name: Erica Berger

CF KL DEV LLC, a Delaware limited liability company

[Signature]
Witness #2
Print Name: Chynna Schwartz

By: [Signature]
Print Name: Leigh M. Grimmer
Its: Deputy Chief Financial Officer

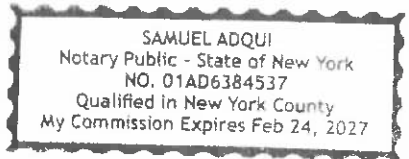
[SEAL]

ACKNOWLEDGMENT

STATE OF New York)
COUNTY OF New York)

I, the undersigned Notary Public for the State of New York, do hereby certify that Leigh M. Grimmer, as Deputy CFO on behalf of CF KL DEV LLC, a Delaware limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 1 day of May, 2024.



[Signature] (SEAL)
Notary Public
Notary Name Printed: Samuel Adqui
My Commission Expires: Feb 24, 2027

CONSENT OF LENDER

The undersigned, **CF KL DEV LLC**, a Delaware limited liability company (the "**Lender**"), is the owner and holder of that certain Promissory Note dated as of April 5, 2022 from KD Owner 2 LLC, a Delaware limited liability company (the "**Borrower**"), to Lender, which is secured by that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of April 5, 2022 from Borrower to and in favor of Lender, and recorded in Record Book 5012, Page 1113, *et seq.*, of the Office of Register of Deeds of Aiken County, South Carolina (as it may be amended or supplemented from time to time, the "**Security Instrument**"). Lender does hereby consent to the terms and provisions of the Deed to which this Consent of Lender (the "**Consent**") is attached, and agrees that any foreclosure effectuated under and/or with respect to the Security Instrument shall not terminate, extinguish or otherwise affect the Deed, and that any foreclosure purchaser shall acquire title to the property subject to the Deed. This Consent is and shall be binding upon Lender, its successors and assigns (including, without limitation, any purchaser at a foreclosure sale under and with respect to the Security Instrument).

[SIGNATURE CONTAINED ON FOLLOWING PAGE.]

EXHIBIT "A"

Description of the Property

All those certain pieces, parcels or lots of land, with any improvements thereon, situate, lying and being in Aiken County, South Carolina, in Cypress Point – Phase 2 Subdivision, being all rights-of-way, roads, curbs, any related improvements and/or any appurtenances to said premises belonging or in any way incident or appertaining thereto as more particularly shown and described on that certain record plat titled "Cypress Point – Phase 2" prepared by William R. Gore, PLS (S.C. Land Survey No. 11811) on behalf of William R. Gore Professional Land Surveyors, Inc., dated August 8, 2024, recorded on January 31, 2025, in Plat Book 666, Page 1235 in the Office of the RMC for Aiken County, South Carolina (the "**Plat**"). Reference is hereby made to said Plat for a complete and accurate description of said property hereby conveyed.

AND together with all those certain stormwater drainage lines and related equipment, including but not limited to all pipes, drop inlets, storm manholes, wing traps, grate traps and similar equipment in any way connected therewith and any appurtenances to said premises belonging or in any way incident or appertaining thereto, together with any non-exclusive and perpetual easements over the areas shown or depicted as the "ACSD EASEMENTS" on the aforementioned Plat, for access to and maintenance and repair of said lines and equipment, with Grantor reserving the right to the use of said easement areas for all purposes not inconsistent with the Grantee's rights to the use, maintenance, and repair of the stormwater lines within said easement areas; and together with that certain detention pond shown or depicted as the "POND TO BE DEDICATED TO AIKEN COUNTY" on the aforementioned Plat. Reference is hereby made to said Plat for a complete and accurate description of said property hereby conveyed.

This property being a portion of the same property conveyed unto KD Owner 2 LLC via (i) deed of Blue Sky Properties and Investments LLC, dated January 14, 2022, and recorded January 24, 2022 in Deed Book 4994, Page 262, *et seq.*, in the aforesaid records, and (ii) quitclaim deed of Blue Sky Properties and Investments LLC, dated January 14, 2022, and recorded January 24, 2022 in Deed Book 3993, Page 269, *et seq.*, in the aforesaid records.

Portion of TMS Nos.: 11048-00-08-007 and 048-00-08-011