

1. NAME; HOMEOWNERS ASSOCIATION.

The name of the residential development is “Sumter Woods”, being sometimes referred to herein as the “Project”. Declarant has established residential homeowners’ association known as “Sumter Woods Homeowners Association, Inc.”, a South Carolina nonprofit corporation.

2. DEFINITIONS.

Generally, terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act (as hereinafter defined) and the South Carolina Code of Laws Annotated. Unless the context otherwise requires, certain terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall be defined as follows:

(a) Act means the South Carolina Homeowners Association Act, S.C. Code Ann. §§ 27-30-110 through 27-30-340.

(b) Architectural Control Committee or ACC means the committee established to exercise the architectural review powers set forth in Paragraph 10 hereof.

(c) Area of Common Responsibility means the Common Property, together with any areas which become the Association’s responsibility under this Declaration or by contract or agreement with any other Person.

(d) Articles or Articles of Incorporation mean the Articles of Incorporation of Sumter Woods Homeowners Association, Inc., filed with the Secretary of State of the State of South Carolina.

(e) Association means Sumter Woods Homeowners Association, Inc., a South Carolina nonprofit corporation, its successors or assigns.

(f) Association Legal Instruments means this Declaration, the Articles, the Bylaws, and the Plat, all as may be supplemented or amended.

(g) Board or Board of Directors means the elected body responsible for management and operation of the Association.

(h) Bylaws mean the Bylaws of Sumter Woods Homeowners Association, Inc., attached hereto and incorporated herein as Exhibit “B”.

(i) Common Property means any and all real and personal property and easements and other interests therein, together with the facilities and improvements located

thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners.

(j) Common Expenses mean the expenses anticipated or actually incurred by the Association in maintaining, repairing, replacing, and operating the Common Property and otherwise for the benefit of all Lots.

(k) Community-Wide Standard means the standard of conduct, maintenance, or other activity generally prevailing in the Property. Such standard may be more specifically determined by the Board and the ACC from time to time.

(l) “Declarant” means Kioka, LLC, its successors or assigns, including any successor Declarant to the extent the rights of Declarant are assigned to the successor Declarant as provided in this Declaration below.

(m) Effective Date means the date that this Declaration is recorded in the McCormick County, South Carolina land records.

(n) Electronic Record means information created, transmitted, received, or stored by electronic means and retrievable in human perceivable form.

(o) Electronic Signature means a signature created, transmitted received, or stored by electronic means and includes but is not limited to a secure electronic signature.

(p) Eligible Mortgage Holder means a holder of a first mortgage secured by a Lot and/or dwelling thereon who has requested notice of certain items under Paragraph 16 hereof.

(q) Eligible Vote means a vote which has not been suspended for a breach of the Association’s legal instruments.

(r) Lot means a portion of the Property intended for ownership and use as a single-family dwelling site as permitted in this Declaration and as shown on the Plat, or amendments or supplements thereto, recorded in the McCormick County, South Carolina land records.

(s) Majority means those eligible votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

(t) Mortgage means any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation, including, but not limited to, a transfer or conveyance of fee title for such purpose.

(u) Mortgagee or Mortgage Holder means the holder of any Mortgage.

(v) occupant means any Person occupying all or any portion of a dwelling or other property located within the Property for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

(w) Officer means an individual who is elected by the Board to serve as President, Vice President, Secretary, or Treasurer, or such other subordinate officers as the Board may determine necessary.

(x) Owner means the record title holder of a Lot, but shall not include a Mortgage Holder.

(y) Period of Declarant Control means the period during which Declarant (or any successor Declarant) may appoint and remove the Directors and officers of the Association as permitted herein. The Period of Declarant Control will begin on the date this Declaration is filed of record with the Office of the Clerk of Court of McCormick County, South Carolina, and shall terminate on the later of the following: (i) 60 days after conveyance of 100% of the Lots to Owners other than Declarant (or any Successor Declarant); or (ii) the date on which Declarant (or any successor Declarant) voluntarily terminates the Period of Declarant Control by recording a notice to that effect in the Office of the Clerk of Court of McCormick County, South Carolina. After the termination of the Period of Declarant Control, Declarant will have all rights and duties afforded to Members under this Declaration.

(z) Person means any individual, corporation, firm, association, partnership, trust or other legal entity.

(aa) Property means that real property identified in Paragraph 3 and described in Exhibit "A", attached hereto and incorporated herein, which is submitted to the Act and the provisions of this Declaration.

(bb) Secure Electronic Signature means an electronic or digital method executed or adopted by a party with the intent to be bound by or to authenticate a record, which is unique to the person using it, is capable of verification, is under the sole control of the person using it, and is linked to data in such a manner that if the data are changed, the electronic signature is invalidated.

3. LOCATION, PROPERTY DESCRIPTION, AND PLAT.

The Property subject to this Declaration and the Act is more accurately described in Exhibit "A" and as provided on the Plats for Sumter Woods residential development filed in the Office of the Clerk of Court of McCormick County, South Carolina, and made applicable to this Declaration.

4. DECLARANT'S RIGHTS, ASSOCIATION MEMBERSHIP AND VOTING RIGHTS.

Every Owner of a Lot shall have a membership interest in the Association; provided, no Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned. Ownership for purposes of having a membership interest in the Association shall not be construed to include holding a mortgage or security interest in a Lot. The grant by an Owner of a mortgage or security interest in a Lot shall not terminate the Owner's membership. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote be cast or more than one (1) office held for each Lot owned.

When more than one (1) Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Association Secretary prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it. A member's right to vote shall automatically be suspended during any period in which a member is more than thirty (30) days delinquent on any assessment or charge. Declarant shall be a member of the Association so long as it is the Owner of one or more residential Lots as shown on the aforesaid plat, or of any additional lots made subject to this Declaration.

Until the expiration of the Period of Declarant Control, Declarant shall exclusively have the following rights with respect to all of the Property:

Construction and Completion of Project. The right to construct and complete the Project.

Development Rights. The right to develop the Project, including, without limitation, the rights reserved by Declarant as follow:

- (a) The right to create Lots and Common elements on the Property.
- (b) The right to subdivide Lots and convert Lots into Common elements on any part of the Property and the right to convert Common elements into Lots.

Sales Activities. The right to maintain a sales office, a management office, one or more model unit and appropriate advertising signage within the Project. At all times, the offices, unit (including the Lot upon which such unit is situated) and signage will remain the property of Declarant and may be removed or relocated in the Project by Declarant at any time or promptly after expiration of the Period of Declarant Control. Defoor Realty shall have the exclusive right to list for sale the first sale of any Lot property after improvements are constructed and a home is offered for sale.

Association Directors and Officers. The right to appoint or remove any officer or Director of the Association, as provided in this Declaration or Bylaws.

Order of Exercise of Declarant's Rights. Exercise of Declarant's rights hereunder as to one (1) portion of the Property will not operate to require Declarant to exercise such rights with respect to any other portion of the Property.

Supplemental Provisions Regarding Declarant's Rights. Declarant reserves the right to unilaterally amend this Declaration and any map or survey at its sole discretion in connection with the exercise of any Declarant rights to the extent permitted by law.

Utility Easements. Declarant hereby reserves for itself and its successors and assigns, and for the Association, and its officers, agents, employees, and successors and assigns, a general easement upon, across, over, in and under the Property for ingress and egress and for installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, gas, telephone, electrical, cable and other communication and power or fuel systems. By virtue of said reserved easement, it shall be expressly permissible and proper for the entities providing such services to install and maintain necessary equipment, wires, circuits and conduits under, over, and across the Property. No water, sewer, gas, telephone, electrical, communications, sprinkler systems, or other utility lines or services, systems, or facilities may be installed or relocated on the surface of the Property unless approved by Declarant prior to the expiration of the Period of Declarant Control, or by the Association after such expiration. These items may be temporarily installed above ground during construction, if approved by Declarant, or after the Period of Declarant Control, if approved by the Association.

Private Road Easement. Each owner abutting any private road shall have a perpetual, non-exclusive easement for ingress and egress over, along and across the private road abutting their lot for himself and his guests and to be exercised jointly with the other Owners of Lots abutting the private road.

Drainage and Irrigation Easements. Declarant reserves for itself and its successors and assigns, and for the Association, and its officers, agents, employees, and successors and assigns, an easement to enter on, across, over, in and under any portion of the Property for the purpose of establishing or modifying any drainage channels and/or water retention ponds on the Property to improve the drainage of water. Declarant also reserves for itself and its successors and assigns the right to construct, access and maintain irrigation lines on the Property for the maintenance of Common elements and for such other purposes as Declarant may from time to time deem appropriate.

General Provision. Any entity using the above-described easements: (i) shall use its best efforts to install and maintain the easements for utilities, drainage, or irrigation lines without disturbing the quiet enjoyment of the Owners, the Association and Declarant; (ii) shall prosecute its installation and maintenance activities as promptly as possible; and

(iii) in the case of utility work, shall restore the surface to its original condition as soon as possible after completion of its work. Should any entity furnishing a service covered by said easements request a specific easement necessary to be granted by separate recorded document, either Declarant or the Association shall be authorized to grant such easement upon, across, over, or under any part of all of the Property without conflicting with the terms of this Declaration. The above-described easements shall in no way affect, avoid, extinguish, or modify any other recorded easements affecting the Property.

Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under and across the Common elements, together with the right to store materials on the Common elements and to make such other use of the Common elements as may be reasonably necessary or incident to the construction of Lots on the Property. Declarant shall not exercise said easements in a manner which unreasonably interferes with the occupancy, use, enjoyment, or access to the Property by the Owners.

Reservation of Easements, Exceptions and Exclusions. Declarant reserves for itself, its successors and assigns, and hereby grants to the Association, the concurrent right to establish, by declaration or otherwise, utility, drainage, construction, ingress and egress and other easements, permits, or licenses over the Common elements for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions for the best interests of all the Owners and the Association.

Maintenance Easements. An easement is hereby reserved to Declarant, and granted to the Association and any member of the Board or the Manager, and their respective officers, agents, employees and assigns, upon, across, over, in and under the Property to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which they are obligated to perform pursuant to the Project documents, including the right to enter upon any Lot for the purpose of performing maintenance of the Common elements.

Remodeling Easement. Declarant, for itself and its successors and assigns, including Owners, retains a right and easement in and about the buildings for the construction and installation of any duct work, additional plumbing, or other additional services or utilities in connection with the improvement or alteration of any building, including the rights of access to such areas of the building as are reasonably necessary to accomplish such improvements. In the event of a dispute among Owners with respect to the scope of the easement reserved in this Section, the decision of Declarant shall be final.

General Reservations. Declarant reserves (i) the right to dedicate any access roads and streets serving the Property for and to public use, and to grant road easements with respect thereto; and (ii) the right to enter into, establish, execute, amend and otherwise deal with contracts and agreements for the use, lease, repair, maintenance, or regulation of recreational facilities. The underground detention system located within the Project and the

Project's parking lot and other Common Elements, excluding the access road as shown on the Map, are intended to be privately owned and maintained by the Association. McCormick County, South Carolina will not accept any dedication of the detention facility or its apertures or the other Common Elements, excluding the access road as shown on the Map, and will not be responsible for maintenance thereof.

Easements Deemed Created. Any and all conveyances made by this Declaration to the Association or any Owner shall be conclusively deemed to incorporate these reservations of rights and easements, whether or not expressly set forth in such grants.

All Other Rights. Notwithstanding any other provision of this Declaration, during the Period of Declarant Control, Declarant shall be authorized to exercise unilaterally and at its sole discretion all rights and authorities granted to the Board or the Association in this Declaration.

5. ALLOCATION OF LIABILITY FOR COMMON EXPENSES.

(a) Except as provided for herein, the amount of all Common Expenses shall be assessed against all the Lots equally.

(b) Notwithstanding any other provision of this Declaration, the Board shall be authorized to levy special assessments pursuant to this Paragraph upon such grounds as the Board shall determine are in the best interests of the Association. Failure of the Board to levy such special assessments shall not be grounds for any action against the Board or the Association and shall not constitute a waiver of the Board's right to do so in the future.

(i) Except for expenses incurred for maintenance and repair of items which are the Association's maintenance responsibility hereunder, any Common Expenses benefiting less than all of the Lots or significantly disproportionately benefiting all Lots may be specially assessed among all of the Lots benefited according to the benefit received. If McCormick County does not accept the maintenance responsibility for the roadway identified as Leyland Court on the plat of survey referenced in Exhibit "A", then the maintenance expense of said roadway shall be shared among the owners abutting said roadway (currently Lots 10-20).

(ii) Any Common Expenses incurred as a result of the conduct of less than all of those entitled to occupy all of the Lots, or by the licensees or invitees of the Owners of any such Lot or Lots, may be specially assessed against such Lot(s), including attorney's fees incurred by the Association in enforcing the Declaration, Bylaws or Association rules.

6. ASSOCIATION RIGHTS AND RESTRICTIONS.

The Association, acting through its Board of Directors, shall have the right and authority, in addition to and not in limitation of all other rights it may have;

(a) to make and to enforce reasonable rules and regulations governing the use of the Property, including the Lots and the Common Property;

(b) to enforce use restrictions, the Declaration and Bylaws provisions, and rules and regulations by imposing reasonable monetary fines, exercising self-help powers, suspending use and voting privileges, and suspending services paid for as a Common Expense. Said enumerated powers shall in no manner limit the Association in exercising any unenumerated, legal means of enforcing such documents or provisions by either the Association or, in an appropriate case, by an aggrieved Owner;

(c) to grant permits, licenses, utility easements, and other easements, permits or licenses necessary for the proper maintenance or operation of the Property under, through or over the Common Property, as may be reasonably necessary to or desirable for the ongoing development and operation of the Property;

(d) to control, manage, operate, maintain, replace and, in the Board's discretion, alter or improve all portions of the Property for which the Association is assigned maintenance responsibility under this Declaration;

(e) to deal with the Common Property in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of this Declaration;

(f) to represent the Owners in dealing with governmental entities on matters related to the Common Property;

(g) to permanently or temporarily close access to any portion of the Common Property with, except in emergency situations, thirty (30) days prior notice to all Owners. However, the Owners may re-open the closed Common Property by a majority vote of the Association cast at a special or annual meeting duly called and held;

(h) to enter into Lots for maintenance, emergency, security, or safety purposes, or otherwise to discharge or exercise its powers or responsibilities hereunder, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in emergency situations, entry shall be only during reasonable hours and after reasonable notice to the Owner or occupant of the Lot. For purposes hereof, any water or other utility leak, fire, strong foul odor, obvious insect infestation or sounds indicating that a person or animal might be injured or sick and require immediate medical attention shall be considered emergencies justifying immediate entry into a dwelling. No person exercising the rights granted in this subparagraph shall be liable for trespass, damages, or in any other manner by virtue of exercising such rights, and failure to exercise any such rights or to exercise such rights in a timely manner shall not create liability to any such Person, it being agreed that no such duty exists; and

(i) to acquire, lease, hold, and dispose of tangible and intangible personal property and real property.

7. ASSESSMENTS.

(a) Purpose of Assessment. The Association shall have the power to levy assessments as provided herein and in the Act. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots.

(b) Creation of the Lien and Personal Obligation For Assessments. Each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in said deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments, as provided herein, and (iii) specific special assessments levied by the Board, including, but not limited to, reasonable fines.

All such assessments, together with charges, interest, costs, and reasonable attorney's fees actually incurred, and if the Board so elects, rents, in the maximum amount permitted by law, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each assessment is made. Such amounts shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. Each Owner and his or her grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. No Owner may exempt himself or herself from liability, or otherwise withhold payment of assessments, for any reason whatsoever, including, but not limited to, nonuse of the Common Property, the Association's failure to provide services or perform its obligations required hereunder, or inconvenience or discomfort arising from the Association's performance of its duties. The Association, in the Board's discretion, may, but shall not be obligated to, record a notice of such lien in the McCormick County, South Carolina records evidencing the lien created under South Carolina law and this Declaration.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. In the absence of an alternate date, assessments shall be paid in advance by the first day in January.

The lien provided for herein shall have priority as provided by law

(c) Computation of Operating Budget and Assessment.

Prior to the beginning of each new fiscal year, the Board of Directors shall (1) prepare a budget covering the estimated Common Expenses and other expenses of the Association for the upcoming new fiscal year and shall fix the amount of the annual assessment for the upcoming new fiscal year, and (2) deliver a copy of the budget and notice of the annual assessment to each member at least thirty days prior to the beginning of the new fiscal year. The budget and the assessment shall become effective unless disapproved by the majority of

the total eligible vote of the Association membership within the first thirty days of the new fiscal year at a meeting of the members. Said meeting may be the annual meeting of the members if the annual meeting is held during the first thirty days of the new fiscal year or may be at a special meeting requested by the members as provided in the Bylaws for special meetings. If the membership disapproves the budget within the first thirty (30) days of the new fiscal year as provided herein, or the Board fails for any reason to either: (1) prepare a budget or fix the amount of the annual assessment for the new fiscal year; or (2) deliver the budget and notice of the annual assessment to the members, as provided herein, then the budget and annual assessment in effect for the current fiscal year shall continue for the upcoming new fiscal year. Any increase in annual assessments which would raise the amount of assessment to an amount which would constitute an increase of over 25% in the past five (5) years, must be approved by a majority of those members present in person or by proxy at an annual or special meeting.

The fiscal year of the Association may be set by Board resolution or, in the absence thereof, shall be the calendar year.

The budget shall not operate as a limitation on expenditures by the Board; rather, said budget shall be considered an estimate of Common Expenses on which the Board may base annual assessments.

(d) Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

(i) If any assessment or installment of an assessment is not paid in full within ten (10) days of the due date, a late charge equal to the greater of ten (\$10.00) dollars or ten (10%) percent of the amount not paid, or such higher amounts as may be authorized by law, may be imposed without further notice or warning to the delinquent Owner, and interest at the rate of ten (10%) percent per annum, or such higher rate as permitted by law, shall accrue from the due date.

(ii) If partial payment of an assessment or other charge is made, the amount received may be applied by the Board, in respective order, to costs and attorney's fees, late charges, interest, delinquent assessment, and current assessment.

(i) If an assessment, fine or other charge, or any part thereof, remains unpaid more than thirty (30) days after the due date, the Association, acting through the Board, may institute suit to collect all amounts due pursuant to the provisions of the Declaration, the Bylaws, and South Carolina law, including reasonable attorney's fees actually incurred.

(ii) A member's right to vote shall automatically be suspended during any period in which a member is more than thirty (30) days delinquent on any assessment or charge. Such suspension shall remain in effect until the past due assessments are paid in full or until the Board reinstates the member's right to vote in writing.

(e) Initiation Fee. An initiation fee, as established by the Association or the Declarant, may be required to be paid to the Association upon the sale of each completed home to a homeowner or upon the resale of a home within the Property.

(f) Special Assessments. In addition to the annual assessment provided for in this paragraph, a special assessment may be imposed by a majority vote at an annual or special meeting of the Association.

(g) Capital Budget. The Board may prepare an annual or multi-year capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost.

(h) Statement of Account. 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 due and unpaid, including any late charges, interest, fines, or other charges against such Lot. The Association shall respond in writing within five (5) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee, as may be authorized or limited by law, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein.

(i) Assessments for Contiguous Lots with One Owner. Notwithstanding the above, an Owner of one (1) or more contiguous Lots upon which only one (1) residence is constructed shall be subject to an assessments for one (1) Lot, provided said residence is partially physically located on each such contiguous Lot. An Owner who qualifies for the above exception shall also only have one (1) member vote.

8. INSURANCE.

(a) Individual Lot Owner Insurance. Each Owner shall carry blanket all-risk casualty insurance, if reasonably available, or if not reasonably available, fire and extended coverage, on his or her Lot and structures constructed. Each Owner further covenants and agrees that, in the event of damage and destruction of structures on his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved by the Association or Architectural Control Committee, unless a determination not to rebuild is made and agreed upon in writing by Association. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. If the structure is totally destroyed and a determination is made not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction within ninety (90) days of the destruction or as otherwise approved by the Association, and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent

with the Community-Wide Standard.

(b) Association Liability and Directors' and Officers' Liability Insurance. The Board shall obtain a public liability policy applicable to the Common 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 in their capacities as such, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00).

(c) Premiums and Deductible on Association Policies. Premiums for all insurance obtained by the Association shall be a Common Expense of the Association. The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

(d) Policy Terms. All such insurance coverage obtained by the Board shall be written in the name of the Association, as trustee, for the respective benefited parties, as further identified in subparagraph (ii) below. Such insurance shall be governed by the provisions hereinafter set forth:

(i). All policies shall be written with a company licensed to do business in South Carolina.

(ii). All policies on the Common Property shall be for the benefit of the Association and its members. Any policies covering improvements on Lots shall be for the benefit of Lot Owners and their Mortgagees, as their interests may appear.

(iii). Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(iv) In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees, and the insurance carried by the Association shall be primary.

(v) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies may be reviewed annually by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the county where the Property is located.

(vi) The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

1. a waiver of subrogation by the insurer as to any claims against the Board, the Association's manager, the Owners and their respective tenants, servants, agents, and guests;

2. a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

3. a provision that no policy may be canceled, invalidated, suspended or subjected to nonrenewal on account of any one or more individual Owners;

4. a provision that no policy may be canceled, invalidated, suspended, or subjected to nonrenewal on account of any defect or the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or Mortgagee;

5. that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

6. that no policy may be canceled or substantially modified or subjected to nonrenewal without at least thirty (30) days' prior written notice to the Association.

(e) Additional Association Insurance. In addition to the other insurance required by this Paragraph, the Board shall obtain workmen's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds or dishonesty insurance. The amount of fidelity coverage or dishonesty insurance shall be determined in the Board's best business judgment, but if reasonably available, shall not be less than three (3) months assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds in the custody of the Association at any time during the term of the bond; provided, however, fidelity coverage herein required may be reduced based on financial controls which take one or more of the following forms: (a) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (b) the management company, if any, maintains separate records and bank accounts for each association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (c) two Board members must sign any checks written on the reserve account. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, substantially modified, or subjected to nonrenewal without at least thirty (30) days' prior written notice to the Association. The Association shall also obtain construction code endorsements, and flood insurance, if and to

the extent necessary to satisfy the requirements of The Mortgage Corporation or the Federal National Mortgage Association.

(f) Insurance Deductibles. In the event of an insured loss under the Association's casualty policy, any required deductible shall be considered a maintenance expense to be paid by the Association or the Person or Persons who would be responsible for such loss in the absence of insurance in the same proportion for which they otherwise would have born responsibility for. If the loss affects more than one Lot or a Lot and the Common Property, the cost of the deductible may be apportioned and assessed equitably by the Board among the parties suffering loss in accordance with the total cost of repair, or otherwise as the Board reasonably determines equitable, unless the insurance policy provides that the deductible will apply to each Lot separately. If any Owner fails to pay the deductible when required hereunder, then the Association can pay the deductible and assess the cost to the Owner or Owners pursuant to Paragraph 5(b) and 8 hereof

9. REPAIR AND RECONSTRUCTION.

In the event of damage to or destruction of all or any part of the Property insured by the Association as a result of fire or other casualty, unless eighty (80%) percent of the Lot Owners, including the Owner(s) of any damaged Lot(s), vote not to proceed with the reconstruction and repair of the structure, the Board or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure. In the event of substantial damage or destruction, each institutional holder of a first mortgage shall be entitled to written notice of the damage, and nothing in these documents shall be construed to afford a priority to any Lot Owner with respect to the distribution of proceeds to any such Lot.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to the Property, the Board shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Lot) to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Board determines to be necessary.

(b) Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, a special assessment shall be made against all of the Lot Owners without the necessity of a vote of the members or compliance with Paragraph 7(e) above. If, after repair and reconstruction is completed, there is a surplus of funds, such funds shall be common funds of the Association to be used as directed by the Board.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Property was originally constructed, except where changes are necessary to comply with current applicable

building codes or where improvements not in accordance with the original plans and specifications are approved by the Board. To the extent insurance proceeds are available, the Association may reconstruct or repair owner improvements damaged as a result of fire or other casualty.

(d) Encroachments. Encroachments upon or in favor of Lots which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Lot Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

(e) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Lot Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Paragraph, to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), Owners and/or personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board.

(f) Damage to or Destruction of Dwellings on Lots. In the event of damage to or destruction of structures on a Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Paragraph 10 of this Declaration, unless a determination not to rebuild is made by the Lot Owner in cases of substantial damage or destruction. If the structure is substantially destroyed and a determination is made not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction, and, thereafter, the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the Community-Wide Standard.

10. ARCHITECTURAL CONTROLS.

(a) Architectural Standards. Except as provided herein, no Owner, occupant, or any other person may make any encroachment onto the Common Property, or make any exterior change, alteration, or construction (including painting, re-roofing, and landscaping), nor erect, place or post any object, mailbox, playground equipment, light (except for reasonable seasonal decorative lights displayed between Thanksgiving and January 15), storm door or window, exterior sculpture, fountain, metal flag pole, or other thing on a Lot, the exterior of a dwelling or other building, in any windows (including the interior of windows which are visible from the exterior), or on any Common Property, without first obtaining the written approval of the Architectural Control Committee ("ACC"). The standard for approval of such improvements shall include, but not be limited to: (1) aesthetic consideration, (2) materials to be used, (3) compliance with the Community-Wide Standard,

this Declaration, or the design standards which may be adopted by the Board or ACC, (4) harmony with the external design of the existing buildings, Lots and structures, and the location in relation to surrounding structures and topography, and (5) any other matter deemed to be relevant or appropriate by the Board or ACC.

Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ACC may reasonably require. The ACC or its designated representative shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and the Association, acting through the Board, shall be entitled to stop any construction which is not in conformance with approved plans. The Board or the ACC may publish written architectural standards for exterior and Common Property alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Lots and the location in relation to surrounding structures and topography of the vicinity.

The ACC or the Board, subject to this subparagraph (a), may allow such encroachments on the Common Property as it determines acceptable.

If the ACC or its designated representative fails to approve or to disapprove such application within thirty (30) days after the application and such information as the ACC may reasonably require shall have been submitted, then the Owner submitting the application may issue written notice, by certified mail, to the Association's President, informing of the Owner's intent to proceed with the modification as identified in the application, unless the Association issues written disapproval of the application within ten (10) days of receipt of Owner's notice. If the Board fails to issue such written disapproval within that ten (10) day period, then its approval will not be required and this subparagraph will be deemed complied with, unless such structure or improvement otherwise is in violation of the Declaration, the Bylaws, the design standards, the Association's rules and regulations, or applicable zoning ordinances.

(b) Architectural Control Committee. The Architectural Control Committee shall constitute a standing committee of the Association. The ACC shall consist of the Board unless the Board delegates to other Persons the authority to serve on the ACC. At all times, however, the chairperson of the ACC shall be a Board member. The ACC shall have the authority to select and employ professional consultants to assist it in discharging its duties, the cost of such consultants to be paid by the Owner of any Lot for which plans and specifications have been submitted for approval. The Owner of any such Lot shall be responsible for paying the full costs of each review, whether or not submitted plans and specifications are approved by the ACC, and the ACC may require payment of all such costs prior to approval of plans and specifications. The ACC also may charge reasonable fees to cover the cost of review or inspections performed hereunder, and any such fees shall be published in the design standards.

(c) Appeal. In the event that the ACC or its designated representative disapproves

any application or part thereof, an Owner shall have the right to appeal the ACC's decision to the full Board of Directors. However, in the event that the ACC is a Board member, he/she shall abstain from any Board vote on such appeals. The Board shall rule on the appeal within thirty (30) days of receiving written notice requesting an appeal from the Owner. In ruling on the appeal, the Board shall consider all relevant materials presented to it by either the Owner or the ACC, the decision of the ACC, and the application of the Owner to the ACC. The Board shall have the final authority to approve, disapprove, or conditionally approve or disapprove the application of the Owner. If the Board does not receive written notice from the Owner by certified mail requesting an appeal within fourteen (14) days from the date of the ACC's notice to the Owner of its decision, the decision of the ACC shall become final and all rights of appeal shall terminate and thereafter be void.

(d) Limitation of Liability. Review and approval of any application pursuant to this Paragraph may be made on any basis, including solely the basis of aesthetic considerations, and neither the Board nor the ACC shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. Neither the Association, the Board, the ACC, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design or quality of approved construction on or modifications to any Lot, nor may any action be brought against the Association, the Board, the ACC, or any member thereof, for any such injury, damage or loss.

(e) No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board and the ACC will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval of either the Board or the ACC of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval of the Board or the ACC, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

(f) Enforcement. Any construction, alteration or other work done in violation of this Paragraph, the Declaration, the Bylaws, the design standards or any applicable zoning regulations shall be deemed to be nonconforming. Upon written request from the Board, a violating Owner shall, at his or her own cost and expense, remove such nonconforming construction, alteration or other work and restore the property to substantially the same condition as existed prior to such construction, alteration or work. Should the Owner fail to do so, the Board or its designees shall have the right, in addition to all other available remedies, to enter the property, remove the violation and restore the property, or obtain a court order compelling the violating Owner to do so. All costs thereof, including reasonable attorney's fees, may be assessed against such Lot.

In addition to the above, the Board shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies

available to enforce the provisions of this Paragraph and its decisions or those of the ACC. All costs of any such action, including reasonable attorney's fees, may be assessed against such Lot whether or not a suit in law or equity is filed by the Association. Furthermore, the Board shall have the authority to record in the McCormick County land records notices of violation of the provisions of this Paragraph.

If any Owner or occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Property in violation of this Paragraph, he or she does so at his or her sole risk and expense. The Board may require that any such change, alteration or construction that remains on the Common Property be removed without compensation or reimbursement to the Owner or occupant for any expense he or she may have incurred in making the change, alteration or construction.

(g) Commencement and Completion of Construction. All improvements approved by the ACC hereunder must be commenced within one (1) year from the date of approval. If not commenced within such time, then such approval shall be deemed revoked by the ACC, unless the ACC gives a written extension for commencing the work. Additionally, except with written ACC approval otherwise, and except for delays caused by strikes, fires, national emergencies, critical materials shortages or other intervening forces beyond the control of the Owner, all work approved by the ACC hereunder shall be completed within 120 days of commencement, unless the ACC approves an extension of the building period in writing.

11. USE RESTRICTIONS.

Each Owner of a Lot shall be responsible for ensuring that the Owner's family, guests, tenants and occupants comply with all provisions of this Declaration, the Bylaws and the rules and regulations of the Association. Furthermore, each Owner and occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants or occupants, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or occupants.

(a) Residential Use. Each Lot shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Lot or any part of the Property, including business uses ancillary to a primary residential use, except that the Owner or occupant residing in a dwelling on a Lot may conduct such ancillary business activities within that dwelling so long as (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the dwelling; (2) the business activity does not involve visitation of the Lot by employees, clients, customers, suppliers or other business invitees; provided, however, this provision shall not preclude delivery of materials or items by United States Postal delivery or by other customary parcel delivery services (U.P.S., Federal Express, etc.); (3) the business activity conforms to all zoning requirements for the Property; (4) the business activity does not increase traffic or

result in excess vehicle parking on the Property; (5) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; and (6) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the Board's sole and absolute discretion. Notwithstanding any other provision hereof, no Lot may be used for commercial or nonprofit purposes as a shelter or group home.

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: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the use of a Lot by an on-site management company operating on behalf of the Association shall not be considered a trade or business within the meaning of this subparagraph.

If an Owner of a Lot is a corporation, limited liability company, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the person(s) who will occupy the dwelling on the Lot. The designated person(s) to occupy the dwelling may not be changed more frequently than once every six (6) months.

(b) Use of Common Property. There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on any part of the Common Property without prior written Board consent, except as specifically provided herein.

With prior written Board approval, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Property for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Property hereunder shall assume, on behalf of himself/herself/themselves and his/her/their guests, occupants, family, and invitees, all risks associated with the use of the Common Property and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

(c) Prohibition of Damage, Nuisance and Noise. Without prior written Board consent, nothing shall be done or kept on the Property which would be in violation of any local, State, or Federal statute, rule, ordinance, regulation, permit or other validly imposed requirements of any environmental body, or which would increase the Common Expenses.

Noxious, destructive, offensive or unsanitary activity shall not be conducted upon the Property. No Owner or occupant may use or allow the use of the Lot or any portion of the

Property at any time, in any way, which may endanger the health or property of other Owners or occupants, unreasonably annoy, disturb or cause embarrassment or discomfort to other Owners or occupants, or, in the Board's discretion, constitute a nuisance. The intention of this provision is to grant the Association and aggrieved Owners and occupants a right of redress for actions, activities or conduct which unreasonably disturbs or impairs the peaceful and safe enjoyment of the Property. In this regard, specific unauthorized and unreasonable annoyances or disturbances shall include, but not be limited to, the following:

- (i) Any screaming, shouting, excessively loud talking, whistling, or playing of music or television either outside of a Lot at any time or within a Lot if such conduct can be heard in the normal course of activities in a dwelling on any other Lot;
- (ii) Any fighting, raucous behavior or insobriety either outside of a Lot at any time or within a Lot if such conduct can be heard in the normal course of activities in a dwelling on any other Lot;
- (iii) The use of any alarm, equipment, or device, mechanical or otherwise, which creates or produces excessively loud sounds or any vibrations either outside of a Lot at any time or within a Lot if such sounds can be heard or vibrations felt in the normal course of activities in a dwelling on any other Lot, except home security alarms;
- (iv) Speakers, horns, sirens, whistles, bells, amplifiers or other sound devices, except as such devices may be used exclusively for security purposes;
- (v) Any threatening or intimidating conduct towards any resident, guest or pet at the Property;
- (vi) Any conduct which, in the Board's reasonable discretion, creates any danger or risk of injury to others or damage to property at the Property or which creates any threat to health or safety of any other resident or pet;
- (vii) Any excessively loud play or playground activities either outside of a Lot at any time or within a Lot if such conduct can be heard in the normal course of activities in a dwelling on any other Lot;
- (viii) Any conduct which creates any noxious or offensive odor either outside of a Lot at any time or within a Lot if such odors can be detected in the normal course of activities in a dwelling on any other Lot;
- (ix) Any similar action or activity outside of a Lot on the Property, or which occurs inside a Lot but which interferes with the peaceful use and enjoyment of other Lots or the Common Area by any other Owner, members of his or her family, guests, invitees, or occupants of his or her Lot; or

(x) Any construction or similar activities in a Lot which can be heard in other Lots between the hours of 9:00 p.m. and 7:30 a.m.

(xi) Any use of motorcycles, ATVs, and other gasoline powered recreational vehicles in the common areas, easement areas, or other areas within the property outside of the owner's Lot.

However, nothing herein shall be construed to affect the rights of an aggrieved Owner or occupant to proceed individually against a violator hereof for relief from interference with his or her property or personal rights, and the Board may, in its discretion, require aggrieved individuals to seek redress personally for interference with their personal property rights before the Association intervenes and commences enforcement action hereunder. No claim for any loss, damage or otherwise shall exist by an aggrieved Owner or occupant against the Association for failure to enforce the provisions hereof if the aggrieved Owner or occupant has not personally pursued all available remedies against the violator for redress provided under South Carolina law.

No Lot Owner or occupant may use or allow the use of the Lot or the Common areas in any manner which creates noises between the hours of 11:00 p.m. and 7:30 a.m. which can be heard by persons in another Lot that will, in the Board's sole discretion, unreasonably interfere with the rights, comfort or convenience of any other Owner, members of his or her family, guests, invitees, or occupants of his or her Lot.

No Owner, occupant or agent of such Owner or occupant shall do any work which, in the Board's reasonable opinion, would jeopardize the soundness or safety of the Property or any structure thereon, would reduce the value thereof, or would impair any easement or other interest in the Property, without prior written consent of all Association members and their Mortgagees.

No damage to or waste of the Common Areas, or any part thereof, shall be permitted by any Owner or any occupant, guest or invitee of any Owner. Each Owner and occupant shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner or occupant, or the Owner's or occupant's guest or invitee.

(d) Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Property is prohibited; provided, however, that the display of lawful firearms on the Common Property is permitted by law enforcement officers and also is permitted for the limited purpose of lawfully transporting the firearms across the Common Property to or from the Owner's Lot. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items defined in the South Carolina Code.

(e) Pets. No Owner or occupant may keep any pets other than generally

recognized household pets on any portion of the Property, and no Owner or occupant may keep more than three (3) generally recognized household pets per Lot. Notwithstanding the foregoing, any number of generally recognized household pets weighing less than two (2) pounds each may be kept on Lots.

No Owner or occupant may keep, breed or maintain any pet for any commercial purpose. No potbellied pigs may be brought onto or kept at the Property at any time. Pets may not be left unattended outdoors if not confined in a fenced-in area. Fencing, as required herein, may consist of electronic underground fencing. Dogs must be kept on a leash and be under the physical control of a responsible Person at all times while outdoors in unfenced areas. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Property without prior written Board approval as provided in Paragraph 10 hereof. Feces left by pets upon Common Property (including streets and other Easements or rights of way) upon any Lot must be removed promptly by the Owner of the pet or the person responsible for the pet.

Any pet endangering the health, safety or property of any Owner or occupant of any Lot or which creates an unreasonable and prolonged disturbance, as may be determined in the Board's sole discretion, may be ordered permanently removed from the Property upon seven (7) days' written notice by the Board. If the Owner or occupant fails to comply with such notice, the Board may obtain a court order requiring the Owner or occupant to do so.

Any Owner or occupant who keeps or maintains any pet on any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, its directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Properties.

(f) Vehicles and Parking. No Owner or occupant may keep or bring onto the Property more than a reasonable number of vehicles per Lot at any time, as determined by the Board; provided, however, this provision shall not prohibit an Owner or occupant from having guests or service vehicles park on the Property if otherwise in compliance with this subparagraph. Without prior written Board consent, no vehicles may be parked overnight on the Common Property. All vehicles must be parked and/or stored in the garage or driveway located on the Lot. No vehicles may be parked and/or stored in the grass areas of the Lot. Parking of vehicles on the street should be limited to events of less than eight hours and in no way hinder the right of way for use of the public streets.

Disabled and stored vehicles are prohibited from being parked on the Property, except in garages. For purposes of this subparagraph, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Property, other than in a garage, for fourteen (14) consecutive days or longer without prior written Board permission.

Boats, trailers, trucks, campers, vans, trailers not over twenty-five (25) feet in length,

full-size vans (excluding mini-vans or utility vehicles used as passenger vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes and containing visible evidence of commercial use (such as tool boxes or tool racks), and vehicles with commercial writings on their exteriors are also prohibited from being parked on the Property, except in garage or other areas designated by the Board as parking areas for particular types of vehicles. Special exception to this restriction may be granted by the ACC, if all owners of contiguous lots agree in writing that the vehicles provided for in this subsection (b) are parked in the rear yard so that they are not visible from any street or any Lot. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Property during normal business hours for the purpose of serving any Lot or the Common Property; provided, that, without the written consent of the Board, no such vehicle shall be authorized to remain on the Common Property overnight or for any purpose except serving a Lot or the Common Property.

If any vehicle is parked on any portion of the Property in violation of this subparagraph or in violation of the Association's rules and regulations, the Board 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 a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the Property stating the name and telephone number of the person or entity which will do the towing and/or booting hereunder. If twenty-four (24) hours after such notice placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed or booted in accordance with the notice, without further notice to the vehicle owner or user. If a vehicle is towed or booted in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing or booting activity. The Association's right to tow or boot is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

(g) Driveways and Walks. No breaks shall be made in any curb or gutter on or adjacent to the right-of-way of any street for the purpose of constructing any driveway, walk or other means of ingress to and egress from a lot, unless the apron of such driveway or walk shall be constructed of a permanent paving material which is structurally and aesthetically compatible with the curb or gutter being broken and the adjacent street. Such driveway or walk shall tie in with the street curb and/or gutter in such a manner that a hazardous condition is not created.

(h) Abandoned Personal Property. Personal property, other than an automobile, is prohibited from being stored, kept, or allowed to remain for a period of more than twenty-four (24) hours upon any portion of the Common Property without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property

owner's dwelling, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

(i) Signs. Except as otherwise provided in this Declaration, no sign shall be erected or maintained on any portion of the Property by anyone including, but not limited to, an Owner, a realtor, a contractor or subcontractor, except with the written permission of the ACC or except as may be required for legal proceedings. If such permission is granted, the Association reserves the right to restrict design, color and content of such a sign. One sign of not more than four (4) square feet used by a contractor during the construction period of the main dwelling structure or accessory structures is permissible and only one (1) usual "For Sale" realtor sign may be erected without the permission of the ACC. The mailbox and its stand as well as any property identification signs for each lot may not be erected until they have received the prior written approval of the ACC.

(j) Rubbish, Trash, and Garbage. All rubbish, trash, and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Property, temporarily or otherwise, except as provided herein. Rubbish, trash, and garbage shall be disposed of in appropriate sealed bags and placed in proper receptacles for collection. Rubbish, trash, and garbage should not be visible from the street and shall be contained in screened areas which conceal them "from view from streets and adjacent property. Plans for screened areas must be approved by the ACC. The Board may establish regulations regarding placement of trash cans for pick-up.

(k) Impairment of Dwellings and Easements. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another dwelling or impair any easement or hereditaments, nor do any act nor allow any condition to exist which will adversely affect the other Lots or their Owners or occupants.

(l) Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including, but not limited to 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 on any part of the Property unless the same is undertaken

in a closed garage on a temporary basis. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the dwelling. Only appropriate outdoor items, such as neatly stacked firewood, patio furniture, grills, and bicycles may be kept on the patio or deck serving the Lot.

(m) Antennas and Satellite Dishes. No transmission antenna, of any kind, may be erected anywhere on the Property without written approval of the Board of Directors or the Architectural Control Committee. No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) larger than one meter in diameter shall be placed, allowed, or maintained upon any portion of the Property, including a Lot. DBS and MMDS antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association authorized by the FCC, both as may be amended from time to time. Such items shall be installed in the least conspicuous location available on the Lot which permits reception of an acceptable signal. Except as provided by this subparagraph, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the Property, whether attached to a home or structure or otherwise; provided, however, that the Association shall have the right to erect, construct and maintain such devices.

(n) Play Equipment. Play equipment, including, but not limited to swings sets, slides, and soccer nets, shall only be permitted in the back yard of a dwelling.

(o) Fences. No chain link fence shall be permitted on the Property at any time. All fences must first obtain approval by the ACC before being installed or erected. No fence over six (6) feet in height or such lower height as provided for in the McCormick County, South Carolina ordinances shall be permitted. No fence shall be permitted to remain if it obstructs the vision of motorists on any adjacent street or lane and creates a traffic hazard. No fence, hedge, wall, shrub, bush, tree or other similar structure, natural or artificial, shall be placed, maintained or permitted to remain on any lot or area if the location of such structure obstructs the vision of the motorists on any adjacent street or lane and creates a traffic hazard. Nonetheless, low decorative walls or hedges may be erected beyond the front line of the main residential structure with the written approval of the ACC or if it extends beyond the line of the rear of the main dwelling structure as the same is extended to a point of intersection with the side lot lines.

(p) Trees. The cutting of any trees exceeding eight (8) inches in diameter beyond 20 feet of the main dwelling must be approved in advance by the ACC.

(q) Vegetable Gardens. No vegetable garden may be planted on a lot except behind the line of the rear of the main dwelling structure as the same is extended to a point of intersection with the side lot lines.

(r) Mailboxes. The mailbox and its stand, as well as any property identification

signs for each Lot, may not be erected until they have received the prior written approval of the ACC.

(s) Size of Structure. All Lots shall be used only for residential purposes for the erection of one detached single-family dwelling, not exceeding two stories in height. In determining whether a house exceeds two stories in height, a basement or attic will not be counted as a story. In approving any two-story, one and one-half story, or split-level structure, the Architectural Control Committee, as hereinafter described, shall require that the top stories of each structure be constructed in accordance with normal design practices and the top floor area not be proportionally smaller than is customary in residences of its type. All dwellings shall have at least 2,000 heated square feet and a garage or carport of sufficient size and design to contain two (2) vehicles (the area within the garage or carport shall not be included in the 2,000 heated square feet requirement). It is the intention of Declarant that the criteria governing the nature of such improvements to be constructed in Sumter Woods shall be those of good taste, high quality, both as to workmanship and materials, and harmony and suitability of such improvements to their environment and surroundings.

(t) Sleeping Quarters in Attic, Garage or Outbuildings Prohibited No attic, shack, garage, barn or detached outbuilding shall be used for sleeping quarters, except that servant or guest quarters may be provided as a part of or accessory to a main residential building and shall conform to it in exterior design and quality. All garage conversions shall be prohibited.

(u) Altering Lot Boundaries. No lot shall be subdivided, or its boundary lines changed, nor shall application for same be made to McCormick County. Notwithstanding the above, Declarant, may, for a period of five years (5) past the date of the recording of this Declaration, unilaterally subdivide the property any additional property to be added to made subject to these covenants.

(v) Location of Building on Lot. It is the intention of the Association that the Architectural Control Committee allows the construction of structures to be erected on any lot in Sumter Woods in such a location on each lot as will more fully enhance the natural harmony and aesthetic appeal of Sumter Woods. Declarant, initially, and the Architectural Control Committee shall be vested with full discretion as to the location of such structures. However, no building of any kind or character shall be erected within 30 feet of the right-of-way of any road in Sumter Woods, nor within 10 feet of any side lot line, unless otherwise approved by McCormick County, South Carolina and the Architectural Control Committee. If any of the aforementioned lots is subdivided or enlarged pursuant to the provisions herein, rear and side lot line restrictions shall be applicable only to the rear and side lines of the lot as altered or re-subdivided.

(w) Main Dwelling Built First. No building or structures shall be constructed prior to construction of the main dwelling on the lot.

(x) Zoning Restrictions. Zoning ordinances, restrictions, and regulations of

McCormick County and its various agencies applicable to the subject property shall be observed. In the event of any conflict between any provision of these Declarations and such ordinances, restrictions, or regulations, the more restrictive provision shall apply.

(y) Wetlands Characteristics of Certain Lots. Purchasers of Lots containing areas designated as wetlands under applicable State and/or Federal legislation shall use the wetlands portions thereof only for such purposes as are allowable under such legislation and under such rules and regulations as may be promulgated by the U.S. Corps of Engineers, as such legislation and rules and regulations may be amended from time to time.

(z) No Dumping or Rubbish No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers screened from view. It shall be the responsibility of the owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds on his lot which tend substantially to detract from the beauty of the subject land as a whole or his Lot in particular. No outside burning of trash, garage or other refuse shall be permitted on any Lot.

12. MAINTENANCE RESPONSIBILITY.

(a) Association's Responsibility. The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair, and replacement subject to any insurance then in effect, of all landscaping grass areas, paving and other improvements situated on the Common Property. The Association shall also maintain and keep in good repair all water and sewer pipes or facilities, if any, which serve the Common Property, to the extent that such pipes and facilities are not maintained by public, private, or municipal utility companies.

The foregoing maintenance shall be performed consistent with the Community-Wide Standard. The Association shall have the right, but not the obligation, to maintain public rights of way adjacent to the Property and other property not owned by the Association if the Board determines that such maintenance would benefit the Property.

(b) Owner Responsibility. Each Owner shall maintain and keep his or her Lot and dwelling in good repair, condition and order, including, but not limited to, mowing and edging of yards, maintaining mulch in planting beds, removing weeds, planting sod or other grass in front yards, and repainting of the dwelling. In addition, each Owner shall maintain any public right of way located between the Owner's Lot and the curb of the street(s) bordering such Lot. Such maintenance shall be performed consistent with this Declaration and the Community-Wide Standard established pursuant hereto. Each Owner shall perform his or her responsibility hereunder in such manner so as not to unreasonably disturb other Lot Owners.

The Owner of any Lot that is adjacent to the lake/pond or on which the lake/pond is located shall maintain his or her shoreline and that portion of the lake/pond located upon the Owner's Lot.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Lot, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Property or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner of any Lot or such Owner's occupant, guest, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Property. The Association shall not be liable to any Owner, or any Owner's occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Paragraph where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

(c) Failure to Maintain. If the Board determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board.

Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be an assessment and lien against the Owner and the Lot. If, during the course of performing its maintenance responsibilities hereunder, the Association discovers that maintenance, repair or replacement is required of an item which is the Owner's responsibility, and such maintenance, repair or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform such work on behalf of the Owner and at the Owner's expense, without prior notice to the Owner, such being deemed an emergency situation hereunder.

If the Board determines that the need for maintenance or repair is in the Area of Common Responsibility and is caused through the willful or negligent act of any Owner or occupant or their-family, guests, lessees, or invitees, then the Association may assess the cost of any such maintenance, repair, or replacement against the Owner's or occupant's Lot,

which shall become a lien against the Lot and shall be collected as provided herein for the collection of assessments.

13. DEDICATION TO THE ASSOCIATION.

Declarant shall convey title to the common area, detention area, or recreation facilities, if any, of Sumter Woods to the Association at such time as it, in its sole discretion, deems proper but not later than such time as one hundred percent (100%) of the residential building lots located in Sumter Woods have been conveyed or made subject to a contract of sale from Declarant.

More specifically, the property shown and designated as "Detention Parcel" on the plat for Sumter Woods, shall be conveyed by Declarant to the Association and shall be held by the Association, which shall be responsible, except as otherwise specified herein, for the repair and maintenance thereof. the property shown and designated as "Leyland Court" on the plat for Sumter Woods, shall be conveyed by Declarant to McCormick County, but if McCormick county does not agree to the conveyance the Declarant shall convey Leyland Court to the Association and shall be held by the Association, which shall be responsible, except as otherwise specified herein, for the repair and maintenance thereof.

14. MORTGAGEE'S RIGHTS.

(a) Unless at least two-thirds (2/3) of the first Mortgagees or Lot Owners give their consent, the Association shall not:

(i) by act or omission seek to abandon or terminate the Property or the Association;

(ii) change the pro rata interest or obligations of any individual Lot for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards;

(iii) partition or subdivide any Lot, except for the rights provided for in paragraph 11(c) herein;

(iv) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Property (the granting of utility easements or rights-of-way for public purposes and the granting other easements for the benefit of the Association shall not be deemed a transfer within the meaning of this clause); or

(v) use hazard insurance proceeds for losses to any portion of the Property (whether to Lots or to Common Property) for other than the repair, replacement, or reconstruction of such portion of the Property.

The provisions of this subparagraph shall not be construed to reduce the percentage

vote that must be obtained from Mortgagees or Lot Owners where a larger percentage vote is otherwise required by the Association Legal Instruments for any of the actions contained in this Paragraph.

Where the Mortgagee holding a first Mortgage of record or other purchaser of a Lot obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Lot which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Lots, including such acquirer, its successors and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

Upon written request to the Association, identifying the name and address of the holder and the Lot number or address, any Eligible Mortgage Holder will be entitled to timely written notice of:

- i. any condemnation loss or any casualty loss which affects a material portion of the Property or any Lot on which there is a first Mortgage held by such Eligible Mortgage Holder;
- ii. any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to a first Mortgage held by such Eligible Mortgage Holder which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an individual Lot Owner of any other obligation under the Association Legal Instruments which is not cured within sixty (60) days;
- iii. any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or
- iv. any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders, as specified herein.

Any holder of a first Mortgage shall be entitled, upon written request, to receive within a reasonable time after request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the Mortgagee so requesting.

Notwithstanding anything to the contrary herein contained, the provisions of Paragraphs 12 and 13 governing sales and leases shall not apply to impair the right of any first Mortgagee to: (i) foreclose or take title to a Lot pursuant to remedies contained in its Mortgage; (ii) take a deed or assignment in lieu of foreclosure; or (iii) sell, lease, or otherwise dispose of a Lot acquired by the Mortgagee.

15. GENERAL PROVISIONS.

(a) Enforcement. In addition to any other enforcement right set forth herein, the Association shall have the right to enforce any violation of the Declaration, Bylaws or rules and regulations of the Association by a proceeding at law or in equity. The Board shall additionally have the power to impose reasonable fines, which shall constitute a lien upon the Owner's Lot, and to suspend an Owner's right to vote or to use the Common Property for any violation of the Declaration, Bylaws, or any Association rules and regulations; provided, however, nothing herein shall authorize the Association or the Board to deny ingress and egress to or from a Lot. If any occupant violates the Declaration, Bylaws or Association rules and a fine is imposed, the fine may be imposed against the Owner and/or occupant. A member's right to vote shall automatically be suspended during any period in which a member is more than thirty (30) days delinquent on any assessment or charge.

The Board or its designee may also enter upon any portion of the Property, including a Lot, to exercise self-help in order to remove or abate any violation thereon of the Declaration; provided, however, the Board shall first provide the Owner of the Lot ten (10) days' notice of the Board's intention to enter the Owner's Lot and provide the Owner with an opportunity to remove or abate the violation, provided further, such notice shall not be required if the Board determines that an emergency exists. All costs of self-help or of otherwise enforcing the Declaration, Bylaws or Association rules, including reasonable attorney's fees actually incurred, shall be assessed against the Owner, occupant and Lot subject to the violation.

The Association shall have the authority to record in the McCormick County land records office a notice of violation identifying an uncured violation of the Declaration, Bylaws or rules and regulations regarding the Lot.

The Owner or occupant responsible for a violation shall be liable for all costs incurred in enforcement, including reasonable attorney's fees actually incurred, whether or not a legal proceeding in law or equity is filed in connection with the violation. The costs shall become a lien against the Owner's Lot.

The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Property; however, each Owner, for himself or herself and his or her tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security on the Property. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide security shall lie solely with each Lot Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

(b) Dispute Resolution. Any Lot Owner or occupant must give written notice to

the Board requesting a hearing with the Board and attend such hearing to discuss amicable resolution of any dispute before that Owner or occupant files any lawsuit against the Association, the Board, any officer or director, or the property manager of the Association. The Owner or occupant shall, in such notice and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the notice of hearing from the person requesting the hearing.

(c) No Discrimination. No action shall be taken by the Association or the Board of Directors which would unlawfully discriminate against any person on the basis of race, creed, color, national origin, religion, sex, or handicap.

(e) Indemnification. The Association shall indemnify every officer and director against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by any officer or director 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 or director may be a party by reason of being or having been an officer or director. The officers and directors 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 and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director 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 or director, or former officer or director, 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.

(f) Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

(g) Electronic Records, Notices and Signatures. Notwithstanding any other portion of this Declaration, records, signatures and notices shall not be denied validity or effectiveness hereunder solely on the grounds that they are transmitted, stored, made or presented electronically. The relevant provisions of the Bylaws of Sumter Woods Homeowners' Association, Inc., shall govern the giving of all notices required by this Declaration.

16. EMINENT DOMAIN.

Whenever all or any part of the Common Property shall be taken or conveyed in lieu of or under threat of condemnation by any authority having power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. If the taking involves a portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) days after such taking at least seventy-five percent (75%) of the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Property to the extent lands are available therefore. The provisions of Paragraph 9, above, applicable to Common Property improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced

17. EASEMENTS.

(a) Easements for Use and Enjoyment. Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to his or her Lot, subject to the following provisions:

(i) the right of the Association to charge reasonable admission and other fees for the use of any portion of the Common Property, to limit the number of guests of Lot Owners and tenants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his or her family, tenants, guests, and invitees;

(ii) the right of the Association to suspend the right of an Owner, including the Owner's guests and occupants of the Owner's Lot, to use the recreational facilities in the Property for a reasonable period of time due to an infraction of the Declaration, Bylaws, or rules and regulations by the Owner, the Owner's guest, or occupant of the Owner's Lot;

(iii) the right of the Association to borrow money as may be set forth in the Bylaws; 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 any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, encumbering any Lot or other property located within the Property (Any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights therein by the holder thereof in the event of a default there under shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, encumbering any Lot or other property located

within the Property.);

- (iv) the right of the Association to grant permits, licenses or easements across the Common Property, as authorized in this Declaration or the Bylaws; and
- (v) the right of the Association to dedicate or transfer all or any portion of the Common Property subject to such conditions as may be agreed to by the members of the Association.

Any Lot Owner may delegate his or her right of use and enjoyment in and to the Common Property and facilities located thereon to the members of his or her family, his or her tenants and guests, and shall be deemed to have made a delegation of all such rights to the occupants of his or her Lot, if leased.

(b) Easements for Utilities. There is hereby reserved to the Association blanket easements upon, across, above and under all property within the Property for access, ingress, egress, installation, 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 Association may have installed to serve the Property. It shall be expressly permissible for the Association or its designee, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement.

(c) Easement for Entry. The Association shall have an easement to enter onto any Lot for emergency, security, safety, and for other purposes reasonably necessary for the proper maintenance and operation of the Property, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner or occupant. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event that an Owner fails or refuses to cure the condition upon request by the Board.

(d) Other Easements. Any and all easements recorded on the plats for Sumter Woods including, but not limited to: (i) easements for the installation and maintenance of utilities and drainage utilities are reserved by Declarant for the benefit of McCormick County over all areas designated as easements on the plats for Sumter Woods; (ii) a 10 foot drainage and utility easement is reserved on each rear lot line, and a 5 foot drainage and utility easement is reserved on each side lot line. (iii) sign easements on Lot __, Block __; Where an

easement with larger dimensions is shown on said plat, the larger easement shall apply instead of the easement herein reserved.

18. AMENDMENTS.

Except where a higher vote is required for action under any other provisions of this Declaration, in which case such higher vote shall be necessary to amend such provision, this Declaration may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent, of the members of the Association holding two-thirds (2/3) of the total eligible vote thereof. Notice of a meeting, if any, at which a proposed amendment will be considered, shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and filed in the McCormick County, South Carolina land records.

In addition to the above, material amendments to this Declaration must be approved by Eligible Mortgage Holders who represent at least fifty-one percent (51%) of the votes of Lots that are subject to Mortgages held by Eligible Mortgage Holders. Notwithstanding the above, the approval of any proposed amendment by an Eligible Mortgage Holder shall be deemed implied and consented to if the Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within thirty (30) days after the Eligible Mortgage Holder receives notice of the proposed amendment sent by certified or registered mail, return receipt requested.

Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the owners, may amend this Declaration to comply with the Act, any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association (“Fannie Mac”), the Department of Housing and Urban Development (“HUD”) and the Veterans Administration (“VA”).

If legal action is not instituted to challenge the validity of this Declaration or any amendment hereto within one (1) year of the recording thereof in the McCormick County, South Carolina land records, then such amendment or document shall be presumed to be validly adopted.

19. SEVERABILITY.

Invalidation of any one of these covenants or restrictions by judgment or court order or otherwise shall in no way affect the application of such provision to other circumstances or affect any other provision(s). which shall remain in full force and effect.

20. DURATION.

The Declaration and any amendments or supplements hereto will remain in effect from the date of recordation until the twentieth anniversary of the date this Declaration is

first recorded in the Office of the Registrar of Mesne Conveyances for McCormick County, South Carolina. Thereafter, the Declaration will automatically extend for successive periods of ten years each, unless otherwise terminated or modified.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Declarant hereby certifies that the above Protective Covenants are not materially detrimental to the general nature of the development of Sumter Woods as a residential area and therefore this Declaration of Protective Covenants for Sumter Woods are duly adopted by Declarant which holds the required majority of the votes of the Association.

Signed, sealed and delivered
in the presence of:

KIOKA, LLC

Witness

[L.S.]
By: Robert W. Pollard, Jr.
As its: Operating Manager

Witness

STATE OF GEORGIA)
)
COUNTY OF COLUMBIA)

Personally appeared before the undersigned witness and made the oath that (s)he saw the within named Robert W. Pollard, Jr., as Operating Manager of Kioka, LLC, sign, seal, and as its act and deed deliver the within document that (s)he, with the other witnesses subscribed above, witnessed the execution thereof.

SWORN to before me this _____ day
of _____, 2025.

[SEAL]

Notary Public for _____ County,
State of _____

My commission expires: _____

Exhibit "A"

All those lots or parcels of land. with improvements thereon, situate, lying and being in the State of Georgia, County of Columbia, being known and designated as Lots 1-20, of Sumter Woods Subdivision, Phase I, as shown upon a plat of survey recorded in the Office of the Clerk of Court for McCormick County, South Carolina in Plat Book _____, Pages _____. Said plat is incorporated herein by reference and made a part of this description.

ALSO, All those lots or parcels of land. with improvements thereon, situate, lying and being in the State of Georgia, County of Columbia, being known and designated as "Detention Parcel" of Sumter Woods Subdivision, Phase I, as shown upon a plat of survey recorded in the Office of the Clerk of Court for McCormick County, South Carolina in Plat Book _____, Pages _____. Said plat is incorporated herein by reference and made a part of this description.

TMP: Portion of

This being the same property conveyed to Kioka LLC by deed of _____ recorded in the Office of the Clerk of Court for McCormick County, South Carolina in Plat Book _____, Pages _____.