

NOTICE TO CLOSING ATTORNEYS: THIS DECLARATION IMPOSES ASSESSMENTS CONSTITUTING A LIEN ON EACH LOT IN THE SUBDIVISION. PLEASE CONTACT THE ASSOCIATION TO DETERMINE THE STATUS OF A PARTICULAR LOT WITH REGARD TO PAYMENT OF ASSESSMENTS. THE ASSOCIATION'S CONTACT INFORMATION MAY BE FOUND ON THE SECRETARY OF STATE'S WEBSITE.

STATE OF SOUTH CAROLINA) DECLARATION OF COVENANTS, CONDITIONS,
) RESTRICTIONS, EASEMENTS, CHARGES AND
 COUNTY OF SPARTANBURG) LIENS FOR **Foster Place Phase 2**

THIS Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for **Foster Place Phase 2 Homeowners Association, Inc.** is made this 16th day of July, 2020, by **Newman & Sims Development Inc.**, (the "Developer," as further defined in Article I herein). Any defined terms used herein shall have the meaning set out in Article I hereafter:

RECITALS

1. The Developer are the owners of the real property described in Exhibit A of this Declaration and desires to develop thereon a Community, which may include common lands and facilities, for the sole use and benefit of the Owner of each Lot to be located within the Community.
2. The Developer has or may from time to time acquire additional real property which it may desire to develop as additional phases of such Community which the Developer may incorporate as additional phases of this Community and bring same under this Declaration.
3. The Developer is desirous of maintaining control of design criteria, Structure location, Plans and construction specifications, and other controls to assure the integrity of the Community. Each purchaser of a Lot or Dwelling in the Community will be required to maintain, modify, change, and construct the Dwelling and any Structure in accordance with the design criteria contained herein and established by the Developer or Architectural Control Authority, When Empowered, as hereinafter provided.
4. The Developer desires to provide for the preservation of the value and amenities in such Community and for the maintenance of such common lands and facilities, if any.
5. The Developer desires to subject the real property described in Exhibit A to the covenants, conditions, restrictions, easements, charges, and liens, hereinafter set forth and to the guidelines, policies, procedures, rules and regulations adopted by the Developer or the Association, When Empowered. Each and all of which is and are (i) binding upon the Community and each Owner, (ii) for the sole benefit of the Developer for so long as it owns any portion of the Property, and thereafter for the sole benefit of the Association, and (iii) shall run with the title to the land.



6. The Developer has deemed it desirable, for the efficient preservation of the values and the amenities in the Community, to create the Association to which will be delegated and assigned as further described herein, the powers of maintaining and administering any Common Area or Area of Common Responsibility, of administering and enforcing the Declaration; of establishing and amending the reasonable rules, regulations and policies for the proper management of the Association and for the promotion of the health, safety and welfare of the residents of the Community; and of levying, collecting and disbursing the Assessments and charges hereinafter created. The Developer may assign or delegate, either permanently or temporarily, any or all of the foregoing powers to one or more entities or persons without notice to or the consent of any Owner.

7. The Developer has caused or will cause the Association to be incorporated under the laws of the State of South Carolina, as a nonprofit corporation, for the purpose of exercising the aforesaid functions, among others.

NOW, THEREFORE, The Developer declares that the real property described in Exhibit A, annexed hereto and forming a part hereof, and any additions thereto which the Developer may incorporate from time to time in the Community is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth which shall run with the title to the Property and all Lots therein and which shall be binding on all Owners.

ARTICLE I DEFINITIONS

Section 1. DEFINITIONS. The following capitalized words when used in this Declaration, any Supplement, or any Supplemental Declaration (unless the context shall prohibit) shall have the following meaning:

(A) "ARCHITECTURAL CONTROL AUTHORITY(IES)" shall mean and refer to any appointees of the Developer, or boards appointed by the Developer, while the Developer retains all or part of the rights and authority for architectural control in the Community, and the Board of Directors of the Association, When Empowered or architectural control boards appointed by the Board of Directors of the Association, When Empowered.

(B) "ARCHITECTURAL GUIDELINES" shall mean and refer to the set of policies, rules and procedures which may be promulgated and/or amended by the Developer or the Architectural Control Authority, When Empowered, from time to time, which shall act as a guide for the architectural control and review process and for the maintenance, construction or renovation of Structures within the Community. Failure to publish any Architectural Guidelines shall not diminish the architectural control and review authority of the Developer or the Architectural Control Authority, When Empowered, as set forth in this Declaration.

(C) "AREA OF COMMON RESPONSIBILITY" shall have the meaning and refer to any Common Area, together with those areas, if any, the Developer or the Association, When

Empowered, has established pursuant to the terms of this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, or other applicable covenant, contract, or agreement. The location and dimensions of the Area of Common Responsibility may be established, adjusted, or eliminated by the Developer as long as it owns a Lot in the Community.

(D) "AREA OF EXTENDED LOT OWNER RESPONSIBILITY" shall mean and refer to that portion of the road right-of-way, whether owned by the Developer, the Association, or any applicable governmental entity, extending from the end of the road's curbing (or the end of the pavement itself, if no curbing exists) to any property line of a Lot that is contiguous to the road. Unless designated as Common Area or unless the Association has assumed maintenance responsibility for this area as part of its Area of Common Responsibility, each Owner shall be responsible for the maintenance and proper use of their corresponding Area of Extended Lot Owner Responsibility pursuant to the provisions of this Declaration, including without limitation obtaining appropriate Architectural Control Authority approvals, in addition to any other applicable governmental approvals, that may be required for any and all Structures and landscaping built upon or located in the Area of Extended Lot Owner Responsibility. All remedies available to the Developer and the Association, When Empowered, for the failure of an Owner to properly maintain, use, or construct or locate Structures upon a Lot shall also be available to the Developer and the Association, When Empowered, for the failure of an Owner to properly maintain, use, or construct or locate Structures upon the Area of Extended Lot Owner Responsibility, as provided for in this Declaration. Said authority of the Developer and the Association, When Empowered, to control the Areas of Extended Lot Owner Responsibility is subordinate to the authority and approval of any property owner or applicable governmental entity possessing rights over or ownership of the Areas of Extended Lot Owner Responsibility.

(E) "ASSESSMENTS" shall have the meaning specified in Article VI.

(F) "ASSOCIATION" shall mean and refer to the **Foster Place Phase 2 Homeowners Association, Inc.**, its successors and assigns.

(G) "BOARD OF DIRECTORS" shall mean and refer to the members of the board of directors of the Association whether elected or appointed.

(H) "BY-LAWS" shall mean and refer to the by-laws of the Association attached hereto as Exhibit B.

(I) "COMMON AREA" shall mean and refer to those areas of land within the Property, the location and dimensions of which may be established, modified, or adjusted by the Developer as long as it owns a Lot in the Community, shown as "Common Area" on any recorded plat of the Property or so designated in any conveyance to the Association by the Developer including, but not limited to, any and all Structures thereon or the furniture, fixtures or equipment thereon, entrance signs, lights, sprinklers, shrubs, landscaping, parking places, drainage or other easements used, owned or maintained by the Association or the Developer for the benefit of the Community, whether or not located within the street right-of-ways which have been dedicated to a governmental agency or a Lot. In addition, the following property, as shown on the subdivision plat referenced

in Exhibit "A" hereto, is hereby designated by the Developer as Common Area: (1) that certain parcel of land, with any improvements thereon, that maybe identified in the future by recorded plats or easements as "Detention Area or Ponds"; (2) any other parcels of land, with any improvements thereon, that maybe identified by the Developer at his sole description as necessary for any purpose to complete the Community. Such areas are intended to be devoted to the common use and enjoyment of Members of the Association, subject to the Regulations established and amended from time to time by the Developer or the Board of Directors of the Association, When Empowered, and are not dedicated for use by the general public. NO REPRESENTATION FROM ANY PARTY OR SALES AGENT, INCLUDING THOSE OF THE DEVELOPER, OR OTHER ENTITY AS TO THE EXISTENCE OF A COMMON AREA, SIZE, SHAPE, OR COMPOSITION OF ANY COMMON AREA OR ACCESS LOCATION, OTHER THAN THOSE PROVIDED HEREIN OR PROVIDED IN WRITING BY THE DEVELOPER, SHALL BE RELIED UPON, NOR SHALL IT IN ANY WAY REQUIRE THE DEVELOPER TO COMPLY WITH THAT REPRESENTATION. The Community may not contain Common Area, and the fact that there are provisions in this Declaration referencing Common Area does not mean there is or will be Common Area in the Community.

(J) "COMMUNITY" shall mean and refer to the subdivision of the Property.

(K) "DECLARATION" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, Easements, Charges, and Liens, any amendment or modification thereof, and any supplements thereto that annex additional land.

(L) "DIRECTOR" shall mean and refer to an appointed or elected member of the Board of Directors.

(M) "DEVELOPER" shall mean and refer to Newman & Sims Development Inc., his successors and assigns; provided such successors or assigns are designated as such by the Developer. The Developer may make partial or multiple assignments of its rights under this Declaration. All such assignees shall be deemed to be the Developer only as to those rights which may have been assigned to them.

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

(O) "LOT" shall mean and refer to any parcel of land with such improvements, Structures, or Dwellings as may be erected thereon, shown and described as a "Lot" on any recorded subdivision plat of the Property, but shall not include the Common Area or the streets or road right-of-ways in the Community.

(P) "MASTER PLAN" shall mean and refer to the drawing, sketch, map, or Planned Unit Development plan that represents the conceptual land plan for the future development of the Community. Since the concept of the future development of the undeveloped portions of the Community, including without limitation the Lots, streets or road right-of-ways and any Common Area, are subject to continuing revision and change at the discretion of the Developer, present and

future references to the "Master Plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants or obligation to develop shall arise with respect to lands that have been retained by the Developer for future development. **THE DEVELOPER SHALL NOT BE BOUND BY ANY MASTER PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY IN ITS SOLE DISCRETION AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN, DEVELOP OR NOT DEVELOP THE REMAINING UNDEVELOPED PROPERTY OR COMMON AREA OR AMENITIES SHOWN ON ANY MASTER PLAN.**

(Q) "MEMBER" shall mean and refer to any Owner, as provided in Article III hereof.

(R) "OWNER" shall mean and refer to the record owner or owners, whether one (1) or more persons or entities, of the fee simple title to any of the Lots, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage unless and until such mortgagee or holder has acquired title to the Lot pursuant to foreclosure or any proceedings in lieu of the foreclosure. Said term "Owner" shall also refer to the heirs, successors, and assigns of any Owner.

(S) "PLANS" shall mean and refer to and encompass the plans, specifications, elevations and exterior designs of any Structure built or to be built on any Lot, or Common Area, or of any other item so designated in the Architectural Guidelines, as well as a site plan showing building setbacks and locations of all Structures or other items so designated in the Architectural Guidelines within the Lot or Common Area.

(T) "PROPERTY" shall mean and refer to all property, including but not limited to, the Lots, streets or road right-of-ways and Common Area, subjected to this Declaration, which are described in Exhibit A, together with any additional land that may be developed pursuant hereto and annexed or incorporated in the Property by amendments or supplemental Declarations.

(U) "REGULATIONS" shall mean and refer to the guidelines, rules, policies, regulations, and procedures, including, but not limited to, the Architectural Guidelines, adopted by the Developer, the Board of Directors, When Empowered, or the Architectural Control Authority, When Empowered, for the Community.

(V) "STRUCTURE" shall mean and refer to anything or object upon any portion of the Property including by way of illustration and not limitation, any Dwelling or building or part thereof, garage, porch, shed, mailbox, greenhouse, or bathhouse, coop or cage, covered or uncovered patio, siding, doors, fixtures, equipment, and appliances (including without limitation the heating and air-conditioning system for the Dwelling), furniture, glass, lights and light fixtures (exterior and interior), awnings, window boxes, window treatments, window screens, screens or glass-enclosed porches, balconies, decks, chutes, flues, ducts, conduits, wires, pipes, plumbing, and other like apparatus, playgrounds, playground equipment, tree houses and yard art, statuary, basketball goals (permanent or temporary), or other temporary or permanent sports equipment, swimming pool, fence (including "invisible" fencing systems), curbing, paving, driveways, walkways, wall or hedge, radio, television, wireless cable, or video antenna, satellite dishes, yard, lawn, landscaping, trees, shrubs, bushes, grass, well, septic system, sign, appurtenance, or

signboard, whether temporary or permanent; any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of waters from, through, under or across any portion of the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any portion of the Property; and any change in the grade of any portion of the Property of more than six (6) inches.

(W) "WHEN EMPOWERED" shall mean when the Developer has transferred the right of performing some function to the Association's Board of Directors or another entity by the recordation of a document in the office of The Register of Deeds for the county in which the Property is located, or by giving written notice to the Association at the Association's address of record, or to all Owners attending a duly called meeting for that purpose. Except for the rights retained by the Developer under its Class "C" Membership, the transfer of all functions to the Association and the rights and authority of the Developer for architectural control in the Community shall automatically occur when one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale or when the Class B Membership terminates, whichever occurs first. "When Empowered" shall also mean and refer to when the Developer has delegated the right of performing some function to the Association's Board of Directors, the Association's membership, or to any other entity, which Developer may do without any recording or notice requirements.

ARTICLE II USES OF PROPERTY AND EASEMENTS

Section 1. RESIDENTIAL USE OF PROPERTY. Unless otherwise designated in a supplemental Declaration filed by the Developer for additional land annexed to the Community, all Lots shall be used for single-family residential purposes only, and no commercial, business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Developer, its designee(s), or the Association, When Empowered; provided, however, that nothing herein shall prevent the Developer, its agents, representatives, employees, or any builder of homes in the Community, approved by the Developer, from using any Lot owned by the Developer or such builder of homes for the purpose of carrying on business related to the Community or related to the improvement and sale of Lots or Dwellings in the Community; operating a construction office, business office, or model home, and displaying signs, and from using any Lot for such other facilities as in the sole opinion of the Developer may be required, convenient, or incidental to the completion, improvement, and sale of the Lots, Dwellings, or the Community; and provided, further that, to the extent allowed by applicable zoning laws, "home occupation", as defined in the Architectural Guidelines or in the zoning ordinances of the governmental authority having jurisdiction over the Lot, may be maintained in a Dwelling located on any of the Lots as approved in writing by the Developer or the Architectural Control Authority, When Empowered and the governmental authority having jurisdiction over the Lot, so long as the "home occupation" complies with any and all conditions of such approvals.

Section 2. CONSTRUCTION IN ACCORDANCE WITH PLANS. EXCEPT AS PROHIBITED BY LAW, INCLUDING WITHOUT LIMITATION 47 U.S.C. § 303 NT, AND RELATED FCC

RULES, 47 CFR § 1.4000 (WHICH LIMITS, BUT DOES NOT ENTIRELY PROHIBIT, CONTROL BY THE ASSOCIATION OF THE SIZE AND LOCATION OF ANTENNAS AND SATELLITE DISHES), NO STRUCTURE SHALL BE CONSTRUCTED, ERECTED, MAINTAINED, STORED, PLACED, REPLACED, CHANGED, MODIFIED, ALTERED OR IMPROVED ON ANY LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY UNLESS APPROVED BY THE DEVELOPER OR ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED AND ANY OTHER APPROPRIATE OWNER OR APPLICABLE GOVERNMENTAL ENTITY AND THE USE OF APPROVED STRUCTURES SHALL COMPLY WITH THE REGULATIONS ISSUED BY THE DEVELOPER OR ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED, FROM TIME TO TIME. NO CONSTRUCTION, RECONSTRUCTION, ERECTION, REPAIR, CHANGE, MODIFICATION SHALL VARY FROM THE APPROVED PLANS. The Developer and the Architectural Control Authority, When Empowered, shall have complete discretion to approve or disapprove any Structure. The Developer and the Architectural Control Authority, When Empowered, shall have the complete discretion to withhold review of any and all plans submitted to it from an Owner who is not in good standing as a Member of the Association, including without limitation Members who owe past due Assessments on any Lot in the Community. The Developer and the Architectural Control Authority, When Empowered, may issue from time to time Architectural Guidelines and Regulations to assist it in the approving of Structures and may change such Architectural Guidelines and Regulations at any time and from time to time without notice to the Owners. (For definition of Structure, see Article I, Section 1.) Notwithstanding anything herein to the contrary, until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer may, at its sole option, approve or disapprove any Plans approved or rejected by the Architectural Control Authority or overturn any other action of such Architectural Control Authority. Such action by the Developer shall supersede and nullify the action taken by such Architectural Control Authority.

Section 3. SUBDIVISION/COMBINATION OF LOTS AND ROAD USAGE. One or more Lots or parts thereof may be subdivided or combined only if approved in writing by the Developer. No Lot or Common Area may be used as a road unless approved in writing by the Developer, and the Architectural Control Authority, When Empowered.

Section 4. LIVESTOCK AND PETS. Unless the following is amended by the Regulations established and amended by the Developer or by the Board of Directors of the Association, When Empowered, from time to time, no animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or Area of Extended Lot Owner Responsibility, except that dogs, cats or other small household pets may be kept subject to applicable leash laws, provided that they are not kept, bred or maintained for any commercial purpose. Such household pets must not constitute a nuisance as determined by the Board of Directors in its sole discretion within the Community or cause unsanitary conditions within the Community, and no animal kept outside the Dwelling shall be kept in a manner which disturbs the quiet enjoyment of the Community or any other Owner. While not in a fully confined area (which confined area may include an "invisible" fencing system, if approved in writing by the Developer or the Architectural Control Authority, When Empowered), all pets shall be restrained by leashes and no pet shall enter upon any Lot or Area of

Extended Lot Owner Responsibility without the express permission of that Owner or on the Common Area without express permission of the Developer, or the Association, When Empowered. The pet owner will be responsible for cleanup and removal of fecal matter deposited by such pet and shall be liable for, indemnify and hold harmless any other Owner, the Developer and the Association from any loss, cost, damage or expense incurred by such Owner, the Developer or the Association as a result of any violation of this provision. (See Article X for the Association's Remedies for Violation.)

Section 5. OFFENSIVE ACTIVITIES. Unless the following is amended by the Regulations established and amended by the Developer or by the Board of Directors of the Association, When Empowered, from time to time, no noxious, offensive or illegal activities as determined by the Developer or the Board of Directors, When Empowered, shall be carried on upon any Lot, Area of Extended Lot Owner Responsibility, Common Area, or street and road right-of-way, nor shall anything be done thereon which is or may become an annoyance or nuisance to any Owner in the Community, including without limitation nuisances of a permanent or temporary nature, occurring on an intermittent or continual basis, and those that are a nuisance to one or more Owners in the Community. (See Article X for the Association's Remedies for Violation.)

Section 6. TRAILERS, TRUCKS, BUSES, BOATS, PARKING, ETC. Unless the following is amended by the Regulations established and amended by the Developer or by the Board of Directors of the Association, When Empowered, from time to time, no passenger vehicles, buses, trailers or mobile homes, motorcycles, boats, boat trailers, all-terrain vehicles, go-carts, campers, vans or vehicles on blocks, unlicensed vehicles, or like vehicles shall be kept, stored, used, or parked overnight either on any street within the Community, in the Common Area, or on any Lot or Area of Extended Lot Owner Responsibility, without the approval of the Developer or the Association, When Empowered; PROVIDED, HOWEVER, that (i) passenger vehicles may be parked in approved areas on a Lot, to include garages, paved driveways, and any other area approved by the Developer or the Board of Directors, When Empowered, or as specified in the Regulations, and (ii) boats, campers, utility trailers and the like may be parked in an area of a Lot screened from public view if approved by the Developer or the Board of Directors, When Empowered, or as specified in the Regulations. No unsafe parking shall be allowed on any streets in the Community. The Developer or the Association, When Empowered, may in its sole discretion determine what is unsafe and issue regulations to control on and off street parking. (See Article X for the Association's Remedies for Violation.)

Section 7. USE OF GARAGES. Garages are to be used for parking vehicles and storage of personal property. Unless the Developer or the Association, When Empowered, gives written authorization to the contrary, no Owner shall: (i) use their garage in a manner that would prevent the immediate conversion of the garage space to accommodate parking or storage as determined by the Developer or the Association, When Empowered, (2) use their garage in such a way that creates a nuisance as determined by the Developer or the Association, When Empowered, or (3) use their garage for any other purpose that would permanently prevent parking or storage in the garage as determined by the Developer or the Association, When Empowered.

Section 8. EXCAVATIONS OR CHANGING ELEVATIONS. No Owner shall excavate or extract earth for any business or commercial purpose within the Property.

Section 9. SEWAGE SYSTEM. Sewage disposal shall be through the public or private system or by septic tank approved by appropriate State and local agencies. If there is a public or private system serving the Community, the Owner shall be obligated to use the system unless authorized otherwise by the Developer.

Section 10. WATER SYSTEM. Water shall be supplied through a public or private system or any other system or well approved by appropriate State and local agencies. If there is a public or private system serving the Community, the Owner shall be obligated to use the system unless authorized otherwise by the Developer.

Section 11. UTILITY FACILITIES. The Developer reserves the right to approve the necessary construction, installation and maintenance of utility facilities and service lines for, on, over or under the Property or any portion thereof, including but not limited to telephone, cable T.V., electricity, gas, water and sewage systems, which may be in variance with these restrictions.

Section 12. WAIVER OF SETBACKS, BUILDING LINES AND BUILDING REQUIREMENTS. The Developer, and Architectural Control Authority, When Empowered may waive violations of the setbacks and building lines shown on any plat of the Community or set out in this Declaration. Such waiver shall be in writing and recorded by the Owner in the County Register of Deeds. A document executed by the Developer or the Architectural Control Authority, When Empowered shall be, when recorded, conclusive evidence that the requirements hereof have been complied with. The Developer and Architectural Control Authority, When Empowered, may also, from time to time as they see fit, eliminate violations of setbacks and boundary lines by amending said plats. Nothing contained herein shall be deemed to allow the Developer or the Architectural Control Authority, When Empowered, to waive violations which must be waived by an appropriate governmental authority without the Owner obtaining a waiver from such authority.

Section 13. EASEMENT FOR UTILITIES AND COMMON FACILITIES. The Developer reserves unto itself and its permittees a perpetual, alienable, easement and right of ingress and egress, over, upon, across and under each Lot and Area of Extended Lot Owner Responsibility, and all Common Areas and Areas of Common Responsibility, if any, as are necessary or convenient for the erection, maintenance, installation, and use of electrical systems, cable television systems, irrigation systems, landscaping, telephone wires, cables, conduits, sewers, water mains, and other suitable equipment, other Structures and buildings necessary or convenient for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public convenience or utilities including but not limited to privately owned television systems and other communications cable and equipment, and the Developer may further cut drain ways for surface water when such action may appear by the Developer to be necessary in order to maintain reasonable standards of health, safety, and appearance, or to correct deviations from approved development drainage Plans, provided such easement shall not encroach on or cross under existing buildings or Dwellings on the Lot or Common Area. Unless otherwise shown on a recorded plat of the Community, the Developer further reserves an easement on behalf of itself and its permittees

over five (5') feet along each interior side Lot line of each Lot for the purpose of construction or maintenance of utilities, as well as drainage installation or maintenance, and over ten (10') feet along each exterior side, front and rear Lot line of each Lot for the purpose of construction or maintenance of utilities, as well as drainage installation or maintenance. In addition, the Developer reserves an easement on behalf of itself and its permittees over that portion of the Property identified on the Plat referenced in Exhibit "A" hereto and any plats that maybe recorded for property that may be annexed into Foster Place Phase 2 subject to the stipulations set out in this Declaration as buffer areas, natural areas, common areas, creeks, drainage areas, storm drains and ponds, for purposes of drainage installation and maintenance. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other installation and to maintain reasonable standards of health, safety and appearance. It further reserves the right to locate signs, entrances, landscaping, sprinklers and other improvements related to the Common Area or Area of Common Responsibility or common facilities of the Community including, but not limited to, entrances, wells, pumping stations, and tanks, within residential areas on any walkway or any residential Lot or Area of Extended Lot Owner Responsibility in the area designated for such use on any applicable plat of the residential subdivision, or locate same on the adjacent Lot or Area of Extended Lot Owner Responsibility with the permission of the Owner of such adjacent Lot. Such right may be exercised by the licensee of the Developer, but this reservation shall not be considered an obligation of the Developer to provide or maintain any such utility service. No Structures, including, but not limited to, walls, fences, paving or planting shall be erected upon any part of the Property which will interfere with the rights of ingress and egress provided for in this paragraph and no Owner shall take any action to prevent the Association, the Developer, or any public or private utility, or any of their agents, contractors or employees from utilizing the easements reserved herein. **THE DEVELOPER, THE ASSOCIATION, THE ARCHITECTURAL CONTROL AUTHORITY, THEIR AGENTS, EMPLOYEES AND OFFICERS SHALL NOT BEAR RESPONSIBILITY FOR THE REPAIR OR REPLACEMENT OF ANY LANDSCAPING PLANTED, SPECIAL GRADING ESTABLISHED, OR STRUCTURE CONSTRUCTED WITHIN AN EASEMENT, WHETHER PLANTED, ESTABLISHED OR CONSTRUCTED INTENTIONALLY OR INADVERTENTLY AND WHETHER APPROVED OR NOT BY THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED.** The Developer expressly reserves the right to alter, expand or overburden any easement described in this paragraph. Such right to alter, expand or overburden shall be limited to such extent as will allow the Owner of the affected Lot and Structure to convey marketable title. The rights and easements conferred and reserved herein shall be appurtenant to any property now or hereafter owned by Developer, whether or not subject to this Declaration and shall be an easement in gross of a commercial nature for the benefit of the Developer and its permittees to serve any property whether or not subject to this Declaration.

Section 14. YARD AND LANDSCAPING MAINTENANCE.

(a) In the event that the Owner of any residential Lot, improved or unimproved, fails to maintain their yard and overall landscaping of their Lot or Area of Extended Lot Owner Responsibility in a manner in keeping with the Declaration, as determined by the Developer or an

Architectural Control Authority, When Empowered, from time to time as they see fit, the Developer or the Architectural Control Authority, When Empowered, may issue a compliance demand requiring the Owner of the residential Lot to bring the Lot or Area of Extended Lot Owner Responsibility into keeping with the Declaration, as determined by the Developer or the Architectural Control Authority, When Empowered. If the Owner of the residential Lot fails to comply within the time required by the notice, the Developer or the Association may enter upon the Lot or Area of Extended Lot Owner Responsibility, bring the Lot or Area of Extended Lot Owner Responsibility into keeping with the Community, as provided above, and levy against the Owner of the Lot an Assessment for Non-Compliance and such Assessment shall be a lien upon the Lot.

(b) The responsibility of an Owner of a residential Lot to properly maintain their yard and overall landscaping of their Lot and Area of Extended Lot Owner Responsibility includes, but is not limited to, the following:

- (i) prevent any underbrush, weeds, or other unsightly plants to grow upon the Lot and Area of Extended Lot Owner Responsibility;
- (ii) provide permanent vegetation, including but not limited to grass, fully and uniformly distributed over the Lot and Area of Extended Lot Owner Responsibility;
- (iii) unless approved otherwise by the Developer or the Architectural Control Authority, When Empowered, maintain and (if they are determined to be unhealthy by the Developer or the Architectural Control Authority, When Empowered) replace any tree(s) or portions thereof and/or other vegetation upon the Lot or Area of Extended Lot Owner Responsibility that (1) are specifically required to be removed or replaced by the Developer or the Architectural Control Authority, When Empowered, (2) were required by the Developer or the Architectural Control Authority, When Empowered, to have been protected during construction, or (3) were placed in this area in accordance with an approved landscape plan;
- (iv) provide proper grading and drainage on the Lot and Area of Extended Lot Owner Responsibility, in accordance with Article IX of this Declaration;
- (v) prevent and repair any erosion on the Owner's Lot, Area of Extended Lot Owner Responsibility, any other Lot, or any street in the Community caused by surface run-off from the Owner's Lot, in accordance with Article IX of this Declaration; and
- (vi) providing at their own expense general maintenance, including but not limited to proper watering, insect and weed control, fertilization, pruning, regular replacement of straws and mulch, proper drainage control, etc. and other types of normal maintenance not provided by the Association, of the overall landscaping and grass for their Lot and Area of Extended Lot Owner Responsibility in compliance with the Regulations and Architectural Guidelines established by the Developer, the Board of Directors or the Architectural Control Authority, When Empowered.

(c) Any entry by the Association or the Developer or their agents, employees, officers or contractors under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer and to the Association for the purpose of entry onto any residential Lot or Area of Extended Lot Owner Responsibility for the purpose of enforcing this Section. This provision shall not be construed as an obligation on the part of the Developer, the Association to provide garbage or trash removal services. As provided herein, these rights may be assigned by the Developer to the Association, or other appropriate entities. The Owner shall hold harmless the Developer, its agents and employees, officers and contractors and the Board of Directors or the Architectural Control Authority, When Empowered, from any liability incurred arising out of correcting the Owner's breach of this Section.

Section 15. ACCESS BY DEVELOPER OR ASSOCIATION, WHEN EMPOWERED. For the purpose of performing its function under this or any other Article of this Declaration, the Association or the Developer, and their duly authorized agents and employees, shall have the right to enter upon any Lot or Area of Extended Lot Owner Responsibility to (a) correct any violation of this Declaration, the Architectural Guidelines or the Regulations, (b) make necessary examinations in connection therewith, (c) respond to the request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property, or (d) in the sole discretion of the Developer or the Association, prevent an anticipated request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property. With regard to the aforementioned Developer's right of access in the context of responding to, or preventing a request from, a governmental body, district, agency, or authority, the Developer's right of access shall remain in effect for as long as said governmental body, district, agency, or authority has enforcement power over the Developer, even after the Developer's Class "B" Membership has been converted to Class "C" Membership (see Article III herein).

Section 16. EMERGENCY ACCESS. There is hereby reserved and granted to the Developer, the Association, When Empowered, their directors, officers, agents, employees, and managers and to all policemen, firemen, ambulance personnel and all similar emergency personnel an easement to enter upon the Property, any part thereof or Lot in the proper performance of their respective duties. Except in the event of emergencies, the rights under this Section shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner affected thereby. The rights granted herein to the Developer and the Association includes reasonable right of entry upon any Lot, Area of Extended Lot Owner Responsibility or Dwelling to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Community.

Section 17 CONSTRUCTION EASEMENT FOR THE DEVELOPER During the period that Developer owns any Lot primarily for the purpose of sale or owns any interest in any portion of the Property, Developer and its duly authorized representative, agents, and employees shall have a transferable right and easement on, over, through, under and across the Property for the purpose of constructing Dwellings or other Structures on the Lots and making such other improvements to the Property as are contemplated by this Declaration and to the Property as Developer, in its sole discretion, desires, and for the purposes of installing, replacing, and maintaining all Dwellings and

other improvements within the Community, as well as utilities servicing the Property or any portion thereof, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided in no event shall Developer have the obligation to do any of the foregoing.

Section 18. LEASES OF LOTS. Any lease agreement between an Owner and a tenant for the lease of such Owner's Lot or portion thereof, including any portion of the Dwelling or other Structure on the Lot, shall be subject to and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Articles of Incorporation and By-Laws of the Association, and any Regulations promulgated by the Association. The Owner shall incorporate in any lease of any Lot, Dwelling, or Structure a provision stating that failure to comply with the terms of such documents shall be default under the terms of the lease. All leases of Lots, Dwellings, or Structures shall be in writing and a copy of the executed lease, upon written demand, must be provided to the Developer or the Board of Directors, When Empowered.

Section 19. STREET LIGHTING CHARGE. Each Owner shall pay a proportional share of the monthly charge for street lighting service as prescribed by the South Carolina Public Service Commission. The electric utility company shall bill the Owner for this charge as part of the monthly electric utility bill.

Section 20. MINIMUM SQUARE FOOTAGE REQUIREMENT. Unless otherwise stated in a document recorded in the County Register of Deeds Office, the Developer hereby establishes the following minimum square footage requirements for all Dwellings, 1,000 total heated square feet.

Developer or Architectural Control Authority, When Empowered shall have the right to approve or disapprove any multi-level plan based solely on the amount of heated square footage contained within any level or floor and/or relationship of that level's or floor's footage to the total heated footage contained within the other levels of the Structure or the Structure in its entirety.

Section 21. BUILDING SETBACK REQUIREMENTS. Unless the Developer or the Architectural Control Authority, When Empowered, waives the requirement or unless a setback is shown otherwise on any plat of the Community or unless otherwise stated in a document recorded in the County Register of Deeds Office, the approved exterior finished face, steps, eaves and overhangs of all Structures, including but not limited to approved, buildings, homes, garages, porches, sheds, greenhouses, bathhouses, terraces, patios, decks, stoops, wing-walls, swimming pools (whether above or below the ground) and storage buildings for related equipment (including but not limited to filters and water pumps) shall be placed on the Lot within the setback lines a designated on the plat for Foster Place Phase 2 subdivision.

Section 22. REGULATIONS. The use of the Property shall be subject to the Regulations promulgated from time to time by the Developer, and the Association, When Empowered. The Developer and the Association, When Empowered, may from time to time adopt, amend, change, modify or eliminate any Regulation and may waive any violation of the Regulations, in their sole discretion, without notice to the Owners. The Regulations may apply to the entire Property or to portions of the Property. Until one hundred (100%) percent of the Dwellings permitted by the

Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer may, in its sole discretion: delegate, temporarily or for the period that these rights and authority are reserved to the Developer, the rights set out herein; amend the Regulations of the Association; waive the violation of any Regulation issued by the Association; grant variances to the Regulations of the Association; veto any modification to the Regulations proposed or implemented by the Association; override any attempt by the Association to enforce or implement the Regulations; and require the Association to enforce and implement any provision of the Regulations.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. MEMBERSHIP. It is mandatory that every person or entity who is an Owner of any Lot shall be a Member of the Association.

Section 2. VOTING RIGHTS. The Association shall have three (3) classes of voting Membership.

(a) CLASS "A". Class "A" Members shall be all Owners excepting the Developer. Class "A" Members shall be entitled to one (1) vote for each Lot they own. When more than one (1) person holds such interest or interests in any Lot, the entire vote attributable to such Lot shall be exercised by one (1) individual who is duly authorized in writing by all of the Owners of that Lot. In no event shall more than one (1) vote or a partial vote be cast with respect to any such Lot. When more than one person holds such an interest or interests in a Lot, it shall be the responsibility of those Owners to provide the Developer or the Association with written notification, with the signatures of all of those persons owning an interest in the Lot affixed, of the name and mailing address of that person authorized to receive notification from the Association and to cast said vote. Class "A" Membership shall be mandatory for all Owners except the Developer and may not be separated from ownership of any Lot.

(b) CLASS "B". The sole Class "B" Member shall be the Developer. The Class "B" Member shall be entitled to cast the greater of four (4) votes for each Lot for which it holds title or one more vote than the total votes of the Class "A" Members. Class "B" Membership shall end and Class "C" Membership shall automatically begin when one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, or at such time as the Developer voluntarily relinquishes its Class "B" Membership in writing to the Association. In addition to any and all rights granted to it in this Declaration, the Class "B" Member shall enjoy all of the rights granted to the Class "C" Member upon termination of the Class "B" Membership, prior to the termination of the Class "B" Membership.

(c) CLASS "C". The sole Class "C" Member shall be the Developer upon termination of its Class "B" Membership. The Class "C" Member shall have no voting rights and no assessment obligations. The Class "C" Member shall enjoy certain limited rights under this Declaration, the By-Laws, and the Regulations, including without limitation the right to: (1) obtain access to, and electronic and/or paper copies of, Association's books and records, including financial and

membership data; (2) exercise the Declaration's enforcement powers pursuant to Article X, Section 5 of this Declaration, and (3) call Special Meetings of the Association on any topic or issue it sees fit in its sole discretion, although the Class "C" Member would not be entitled to vote at said meeting. Class "C" Membership shall terminate at the voluntary discretion of the Developer, although there is no requirement that it be terminated.

ARTICLE IV PROPERTY RIGHTS IN THE COMMON AREA

Section 1. MEMBER'S EASEMENTS OF ENJOYMENT. Subject to the rights reserved by the Developer in this Declaration, including without limitation those contained in Section 3 of this Article IV, the right of the Association to suspend the use of the Common Area as set out in Article X, and the Regulations established and amended from time to time, every Member shall have a right and easement of enjoyment in and to the Common Area, and such easement shall be appurtenant to and shall pass with the title to every Lot. (See Article X for the Association's Remedies for Violations.)

Section 2. TITLE TO COMMON AREA. On or before the conveyance of the last Lot owned by the Developer, the Developer will convey to the Association, by limited warranty deed, fee simple title to the Common Area, as adjusted by the Developer, or the Board of Directors, under the authority granted to the Developer herein, free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration, and further except for easements and restrictions existing of record prior to the purchase of the Property by the Developer, none of which will make the title unmarketable. The Developer hereby reserves the right to amend said Common Area deed or file a corrective Common Area deed or file additional Common Area deeds at its sole discretion regardless of whether Developer still owns any portion of the Property or not. The Association and all Owners, by virtue of their acceptance of the deed to their Lot, hereby consent to acceptance of any and all Common Area deeds or conservation easements executed by Developer without the need for any further notice or consent from Developer, including without limitation all amended, corrective, and additional Common Area deeds or conservation easements executed by Developer. Further, at the Developer's request, the Association shall execute and deliver all necessary documents to effectuate proper execution and recording of said Common Area deeds or conservation easements.

This section shall not be amended, as provided for in Article XII, Section 5, to eliminate or substantially impair the obligation for the maintenance and repair of the Common Area.

Section 3. EXTENT OF MEMBER'S EASEMENTS. The rights and easements created hereby shall be subject to the following rights which are hereby reserved to the Developer or the Association's Board of Directors, When Empowered:

(a) The right of the Developer, and of the Association, When Empowered, to dedicate, transfer, or convey all or any part of the Common Area, with or without consideration, to any governmental body, district, agency, or authority, or to any utility company, and the right of the Developer and of the Association, When Empowered, to convey with consideration all or any part

of the Common Area upon affirmative vote of more than fifty (50%) percent of the total votes of the Members, cast at a duly called meeting of the Members or a recorded resolution signed by the Members holding more than fifty (50%) percent of the vote of the Members.

(b) The right of the Developer, and of the Association, When Empowered, to grant and reserve easements and rights of way through, under, over, and across Common Area, for the installation, maintenance, and inspection of lines and appurtenances for public and private water, sewer, drainage, and other utility services, including a cable or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Developer to grant and reserve easements and rights of way through, over and upon and across the Common Area for the operation and maintenance of the Common Area.

(c) The right of the Developer, and of the Association, When Empowered, to grant conservation easements through, under, over, and across any portion of the Common Area. The Association shall grant such conservation easements over Common Areas as directed to by the Developer, regardless of whether or not the Developer still owns any portion of the Property. The Developer hereby reserves the right to enter any portion of the Common Area and perform modifications to it based on conservation or preservation of environmentally sensitive areas, regardless of whether or not the Developer still owns any portion of the Property.

(d) The right of visitors, invitees, and guests to ingress and egress in and over those portions of Common Area that lie within any private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Area in the case of landlocked adjacent Owners) to the nearest public highway.

(e) The right of the Association, in accordance with the law, its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Area and, in pursuance thereof, to mortgage or encumber the Common Area.

(f) Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, by the filing of an Amendment or Addendum to this Declaration which describes the Property, the Developer shall have the sole authority to sell portions of the Common Area on behalf of the Association, to increase or decrease the size of the Common Area, to add or remove Common Area or to change the location of Common Areas, whether these tracts have been deeded to the Association or are projected to be or have been designated by the Developer as a Common Area. Thereafter this authority shall be transferred to the Association and any adjustment to the detentions or the location of the Common Area and any sale of Common Area by the Association shall be approved by more than 50% of the members of the Association entitled to vote.

Section 4. DELEGATION OF RIGHTS OF ENJOYMENT. Any Owner may delegate, in accordance with the By-Laws of the Association, his right of enjoyment to the Common Area and facilities to his family, tenants, invitees, guests or licensee, subject to the Regulations established and amended from time to time. Any Owner shall at all times be responsible for and liable for the

actions of that Owner's family, tenants, invitees, guests or licensees, employees, pets, and animals, or anyone else on the Common Area with the permission of said Owner or otherwise on the Common Area due to the actions or lack of action taken by said Owner, and shall further be responsible for the paying of any Assessments for Non-Compliance levied for their non-compliance with this Declaration, the By-Laws of the Association or the Regulations established and amended from time to time, which Assessment shall become a continuing lien on the Lot of such Owner.

Section 5. ADDITIONAL STRUCTURES. Neither the Association nor any Owner shall, without the prior written approval of the Developer, so long as the Developer owns one (1) Lot permitted by the Master Plan of the Community, or without written approval of the Board of Directors, When Empowered, erect, construct, or otherwise locate any Structure or other improvement in the Common Area. The Developer, so long as the Developer owns one (1) Lot permitted by the Master Plan of the Community, reserves the right to erect, construct, or otherwise locate any additional Structure or other improvement in the Common Area.

ARTICLE V COMPLETION, MAINTENANCE, AND OPERATION OF COMMON AREA AND FACILITIES

Section 1. COMPLETION OF COMMON AREA BY THE DEVELOPER. The Developer will complete the construction of the Common Area, as adjusted, and the streets and roadways for the Community as shown on the recorded plats of the Community.

Section 2. MAINTENANCE AND OPERATION OF COMMON AREA. The Association at its sole cost and expense, shall operate and maintain the Common Area and Area of Common Responsibility, emergency access roads, gates and fixtures as required by Spartanburg County and provide the requisite services in connection therewith; provided, however, the Association is under no obligation to maintain those portions of the Area of Common Responsibility that are not Common Area and therefore the Association, at its sole discretion, may require the owners of such areas to provide their own maintenance rather than the Association. It shall further be the responsibility of the Association to maintain all entrances including entrance signs, roads and parking areas within the community that are not maintained by some other entity or that are defined on an attached exhibit to this Declaration, or shown on a recorded plat, lights, sprinklers, shrubs, and to pay the cost of utility bills and other such requisite services in connection with the maintenance of the above. Unless located on a Lot or accepted by another responsible party (including without limitation public bodies, governmental bodies, districts, agencies or authorities), all roadways and parking areas within the Community, whether located on Common Area or not, shall be maintained by the Association. Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, if the Association fails to operate, maintain or repair the Common Area to the satisfaction of the Developer or fails to employ contractors which the Developer, in its sole discretion, determines to be able to properly operate or maintain the Common Area, the Developer may, but is not required to, notify the Association to correct the maintenance problem or remove the contractor. If the

Association fails to do so within the time set forth in the notice, the Developer may, but is not required to, correct said maintenance problem or remove and replace such contractor. The Association shall reimburse the Developer for any and all costs incurred by the Developer and the cost including collection costs incurred by the Developer shall be a lien on the Common Area. This Section shall not be amended or removed without the written consent of the Developer. Any entry by the Developer under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer for the purpose of entry onto the Common Area for the purpose of enforcing this paragraph. This provision shall not be construed as an obligation on the part of the Developer to provide garbage or trash removal services. As provided herein, these rights may be assigned by the Developer. The Association shall hold harmless the Developer, its agents, officers, directors, and employees from any liability arising out of correcting the Association's breach of this Section. The maintenance, operation, and repair of the Common Area shall include, but not be limited to, repair of damage to pavements, roadways, walkways, outdoor lighting, buildings, if any, recreational equipment, if any, fences, storm drains, and sewer and water lines, connections, and appurtenances, except when such responsibilities are accepted by responsible parties, including public bodies, governmental bodies, districts, agencies or authorities and only for so long as they properly perform.

Section 3. DEDICATION OF STREETS AND ROADWAYS. If and when any streets or roadways located within the Community are dedicated to, or otherwise accepted by, responsible parties including without limitation public bodies, governmental bodies, districts, agencies or authorities, the dedication or acceptance shall be subject to the covenants, conditions, restrictions, easements, charges and liens contained in this Declaration, as amended, whether or not it shall be so expressed in any such deed, other conveyance, or plat.

ARTICLE VI ASSESSMENTS

Section 1. ASSESSMENTS

(a) Each and every Owner of any Lot or Lots within the Property, by acceptance of a deed to a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be personally obligated to pay to the Association, the Assessments, and the Association's collection fees, attorney's fees and court cost incurred in collecting the Assessments, or in enforcing or attempting to enforce the Declaration, By-Laws and the Architectural Guidelines and Regulations established or amended from time to time by the Developer or the Board of Directors, When Empowered.

(b) Assessments, together with such interest thereon, and other costs of collection; including the Association collection fees, attorney fees and court costs shall be a charge on the land and shall be a continuing lien upon the Lot or Lots against which such Assessments are levied. Owners of any Lot shall share in the obligation of any other Owner of that Lot and shall be jointly and severally liable for any Assessments, the cost of collection, attorney fees and court costs that are attributable to that Lot. In the event an Owner holds title to multiple Lots in the Community, including without limitation builders, the Association's continuing lien shall be treated as one all-

encompassing lien over all the Lots of that Owner for purposes of the remedies set forth in Article X of this Declaration.

(c) The Association shall, upon demand at any time, furnish to any Owner or attorney representing the prospective purchaser of a Lot, a certificate in writing signed by an officer of the Association, setting forth whether said Assessments have been paid. Such certificate shall be conclusive evidence of payment of any Assessments therein stated to have been paid. At all times the Association's records with respect to payments made or due shall be deemed correct unless proper documentation to the contrary can be produced.

(d) This Article shall not be amended as provided in Article XII, Section 5, to eliminate or substantially impair the obligation to fix the Assessments at an amount sufficient to properly operate the Association, maintain and operate the Common Area and perform the maintenance required to be performed by the Association under this Declaration without the written consent of the Developer.

(e) There shall be five types of Assessments: (1) Regular Assessments; (2) Assessments for non-compliance with this Declaration, the By-Laws of the Association, and the Regulations established and amended from time to time; (3) Assessments for Capital Improvements as described in Section 4 below; (4) Assessments for Working Capital Fund as described in Section 5 below; and (5) Assessments for Budgetary Shortfall as described in Section 6 below. Such Assessments to be fixed, established, and collected from time to time as herein after provided. (See Section X for Remedies of the Association for Violation.)

(f) Upon conveyance of any Lot owned by the Developer to any third party, including without limitation to any builders, the Developer in its sole discretion may elect to delay imposition of any type of Assessment on the new Owner, in part or in full, for as long as Developer sees fit; PROVIDED that Developer either (1) pays the applicable Assessments attributable to the Lot during this time or (2) pays the deficits in the expenses and capital reserves (but not contingencies) of the Association not paid by the Assessments, so long as the responsibilities of the Association within the approved budget are properly met.

Section 2. REGULAR ASSESSMENTS.

(a) The Regular Assessments levied by the Association shall be used exclusively for the purposes of the general operation of the Association, reserves and the promotion of the health, safety, and welfare of the residents of the Community, and in particular for the improvement and maintenance of the Common Area and Area of Common Responsibility, including but not limited to, the payment of mortgages, taxes and insurance thereon, and repair, replacement, and additions thereof, the cost of labor, equipment, materials, management, Treasurer fees, and supervision thereof, and the cost of lawn and landscaping maintenance, and refuse collection; reserves for the replacement of the Association property and improvements to the Common Area; and all other obligations or debts incurred by the Association.

(b) The Developer or the Board of Directors of the Association, When Empowered, shall at all times fix the Regular Assessment based on the Association's budget for the period of the Regular Assessment. The amount of the Regular Assessment shall be uniform for each Lot except as set forth herein and shall be assessed against all Lots at the time of the Assessment. The Developer or Board of Directors, When Empowered, shall once each year create a budget and fix the date of commencement, the size and number of installments, the method of determining the amount of all Regular Assessments against each Owner of a Lot, and shall, at that time, prepare a roster of the Owners and the Assessments applicable thereto. The roster shall be kept in the office of the Association and shall be opened to inspection by any Owner. If the Developer or the Board of Directors, When Empowered, fails to set a Regular Assessment, then the previous Assessment or the previous installment schedule shall continue until the Regular Assessment is set. A copy of the budget or any amended budget and written notice of the Regular Assessment and adjustment thereof, shall be sent to every Owner subject thereto, identifying the amount(s), due date(s), and the address to which payments are to be sent, at least thirty (30) days in advance of the due date of the first (or only) installment of each Regular Assessment. Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer shall have the option of approval of any portion of the budget.

(c) The Developer or the Board of Directors, When Empowered, shall have the right to adjust the amount and installment schedule of the Regular Assessment without Membership approval for the purpose of meeting the budgetary obligations of the Association and in times of an unexpected cash flow shortfall. In the event of an unbudgeted cash surplus, the Developer or the Board of Directors, When Empowered, shall have the authority to apply some or the entire surplus toward its capital improvement fund or capital reserve fund. The Developer or the Board of Directors, When Empowered, may, at its sole discretion, set estimated Regular Assessments until the Regular Assessment is set and the budget completed, or may delay the billing of Regular Assessments until the budget is complete and then bill the Owners for the Regular Assessment for the entire budget period.

(d) Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer may also choose the option of either (1) paying the Regular Assessments attributable to the Lots owned by the Developer at the time that the Regular Assessments are due and paying a prorated Regular Assessment for the incorporation of additional Lots in the Community during the budget period or (2) paying the deficits in the expenses and capital reserves (but not contingencies) of the Association not paid by the Regular Assessments, so long as the responsibilities of the Association within the approved budget are properly met. Any expenses of the Association paid by and any advances paid to the Association by the Developer which are in excess of the amount due from the Developer for Regular Assessments for Lots owned by the Developer, or if the Developer chooses to pay deficit expense, the amount paid by the Developer to or for the Association which exceeds the actual deficit, at the option of the Developer, shall be considered a loan to the Association, repayable under terms established by the Developer, and which are reasonably acceptable to the Board of

Directors of the Association. Once the Developer becomes a Class "C" Member, it no longer shall be obligated to pay any Assessments or deficits.

(e) Any Regular Assessment against Lots owned by the Developer (including those Lots added to the Community after the date of the Assessment) shall not be due until the end of the period for which the Regular Assessment is established, provided, however, if the Developer has elected not to pay Regular Assessments and instead to pay the deficits in the expenses and capital reserves of the Association and fails to pay such deficits within thirty (30) days after the end of the budget period, the Regular Assessment for Lots owned by the Developer shall be due in thirty (30) days after the Association notifies the Developer of its failure to pay the deficits at the end of the budget period.

(f) At the time of the closing of a Lot owned by the Developer, if the Regular Assessment for that period has been paid by the Developer, that portion of the Regular Assessment that is attributable to the balance of the period shall be collected and paid to the Developer by the purchaser of the Lot. Any sums not reimbursed to the Developer, shall also be a lien on the Lot. All other Assessments, when levied, shall be the responsibility of the Owner of record on the date that the Assessment is authorized by the Developer or by the Board of Directors of the Association, When Empowered.

Section 3. ASSESSMENTS FOR NON-COMPLIANCE. In the event that any Owner, their guests or invitees fail to comply with any of the provisions of the Declaration, the By-Laws of the Association, the Architectural Guidelines and Regulations established and amended by the Developer or the Board of Directors, When Empowered, from time to time, relating to any portion of the Community, including without limitation violations occurring on Lots, Areas of Extended Lot Owner Responsibility, Common Areas, and streets, the Developer and the Board of Directors, When Empowered, may issue Assessments against the responsible Lot Owner(s) in amounts as it determines in its sole discretion, which shall be an Assessment for Non-Compliance and which are a lien on the Lot or Lots of that Owner(s). The Developer shall retain the power to levy Assessments for Non-Compliance even after the Association becomes entitled to exercise such power, including after Developer's Class "B" Membership is converted to Class "C" Membership. Therefore, the rights of the Developer and of the Association under this Section are not mutually exclusive. (See Article X for Remedies of the Association.)

Section 4. ASSESSMENTS FOR CAPITAL REPAIR OR IMPROVEMENTS. In addition to the Regular Assessments, the Association may levy, in any period, an Assessment (which must be fixed at a uniform rate for all Lots) for the purpose of defraying, in whole or in part, the cost of any construction or any reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area or Area of Common Responsibility, including the necessary fixtures, equipment and personal property relating thereto, provided that such Assessment shall have the assent of more than fifty (50%) percent of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days and no more than sixty (60) days in advance of the meeting provided, however, these periods for notice may be shorter as necessary to obtain funds for emergency repairs to the Structures on the Common Area. Subject to the provisions of Section 2,

the due date or due dates of any installment of any such Assessment shall be fixed in the resolution authorizing such Assessment.

Section 5. ASSESSMENT FOR WORKING CAPITAL FUND. At the time of acquiring title to a Lot from the Developer or from a contractor who purchased the Lot from the Developer and completed the Dwelling and Structures on the Lot, the Owner acquiring title to the Lot shall deposit with the Association a reserve fund payment (a/k/a "initiation fee") in the sum of Two **Hundred Fifty (\$250.00) Dollars** to provide for a working capital fund for the obligations of the Association. The amount of the working capital fund may be modified by the Developer in its sole discretion. Such working capital fund payment shall in no way be considered a prepayment of the Regular Assessment. Such working capital fund payments shall be used for the purposes as determined from time to time by the Developer or the Board of Directors of the Association, When Empowered.

Section 6. ASSESSMENTS FOR BUDGETARY SHORTFALL. In addition to the Regular Assessment, the Developer or the Board of Directors, When Empowered, may, at its option, draw from the appropriate reserve funding or working capital funds or may levy, in any period, an Assessment (which must be fixed at a uniform rate for all Lots), subject to the provisions of Section 2, applicable to that period only, to cover any unexpected shortfall in the cash flow of the Association. Said Assessment shall not require the approval of the Membership.

Section 7. SUBORDINATION OF THE LIEN TO MORTGAGES. The liens provided for herein shall be subordinate to the lien of any first lien, mortgage or deed of trust recorded prior to the recording of the Notice of Delinquency by the Association or the Developer in the Office of the Register of Deeds for the County in which the Lot is located. Sale or transfer of any Lot shall not affect the liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any such first lien, mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of Assessments under the Notice of Delinquency when recorded prior to such mortgage as to the payment thereof which becomes due prior to such sale or transfer but shall not relieve any Owner in possession of a Lot prior to such foreclosure sale or deed of trust from any personal obligation defined herein for the payment of Assessments. No such sale or transfer shall relieve such Owner from liability for any Assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any subsequent first lien, mortgage or deed of trust, except for liens for Assessment due from subsequent Owners of the Lot if the Notice of Delinquency is recorded prior to the subsequent first lien mortgage.

Section 8. EXEMPT PROPERTY. The following properties subject to this Declaration shall be exempt from the dues, Assessments, charges, and liens created herein: (a) All Common Area, as defined in Article I, Section 1 hereof and (b) streets and road rights-of-way. Notwithstanding any provision herein, no Lots shall be exempt from said liens.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1. ARCHITECTURAL CONTROL AUTHORITIES. The Architectural Control Authorities when established by the Developer or the Board of Directors of the Association, When Empowered, shall be composed of at least three (3) representatives.

Section 2. PROCEDURES.

(a) Any person desiring to construct, maintain, place, replace, reconstruct any Structure on any Lot, Area of Extended Lot Owner Responsibility or Common Area or to make any improvements, alteration or changes to any Structure, in addition to obtaining any and all applicable property owner or governmental approvals, shall submit Plans and any other documentation required by the Architectural Guidelines to the Developer or the appropriate Architectural Control Authority, When Empowered, which shall evaluate, approve, disapprove or refuse to approve in writing such Plans in light of the purpose of the Declaration. The Developer and the Architectural Control Authority, When Empowered, shall have the complete discretion to withhold review of any and all plans submitted to it from an Owner who is not in good standing as a Member of the Association, including without limitation Members who owe past due Assessments on any Lot in the Community. Any person using any Structure shall comply with the Regulations established and amended from time to time. An aggrieved Owner may appeal the final decision of the Architectural Control Authority to the Developer or the Board of Directors, When Empowered, through the processes required by the Architectural Control Authority or as set forth in the Architectural Guidelines or the Regulations. The failure to publish Architectural Guidelines shall not in any manner adversely affect the architectural review authority of the Developer, the Board of Directors, When Empowered, or the Architectural Control Authority, When Empowered as set forth in this Declaration, including without limitation the authority to approve any and all Structures on any and all Lots, Areas of Extended Lot Owner Responsibility or Common Areas.

(b) The Developer, or the Architectural Control Authority, When Empowered, may charge a reasonable review fee for its initial review, the amount of which shall be established by the Developer or the Architectural Control Authority in the Architectural Guidelines, from time to time. The Developer or the Architectural Control Authority, When Empowered, may at its option, employ outside professional services for initial review and may pay them accordingly for this service. The charging of fees and the hiring of professionals for this purpose by the Architectural Control Authority must be approved by the Developer or the Board of Directors of the Association, When Empowered. Subsequent reviews may require additional fees.

(c) **APPROVAL BY THE DEVELOPER, BOARD OF DIRECTORS OR THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED, OF ANY PLANS AND SPECIFICATIONS OR THE GRANTING OF A VARIANCE WITH RESPECT TO ANY OF THE ARCHITECTURAL GUIDELINES AND REGULATIONS, WHEN ESTABLISHED, SHALL NOT IN ANY WAY BE CONSTRUED TO SET A PRECEDENT FOR APPROVAL, ALTER IN ANY WAY THE PUBLISHED ARCHITECTURAL**

GUIDELINES, WHEN ESTABLISHED, OR BE DEEMED A WAIVER OF THE DEVELOPER'S OR OF THE ARCHITECTURAL CONTROL AUTHORITY'S, WHEN EMPOWERED, RIGHT IN ITS DISCRETION, TO DISAPPROVE SIMILAR PLANS AND SPECIFICATIONS, USE OF ANY STRUCTURE OR ANY OF THE FEATURES OR ELEMENTS WHICH ARE SUBSEQUENTLY SUBMITTED FOR USE IN CONNECTION WITH ANY OTHER LOT. Except for the right of the Developer or Board Of Directors to approve or disapprove the Plans on appeal, approval of the Plans relating to any Lot or Area of Extended Lot Owner Responsibility shall be final as to that Lot or Area of Extended Lot Owner Responsibility and such approval may not be reviewed or rescinded thereafter by the Architectural Control Authority, provided that there has been adherence to, and compliance with the Plans as approved in writing, and any conditions attached to any such approval and the Regulations.

(d) The Developer or Architectural Control Authority, When Empowered, may, at its option, require the Owner to make a deposit to insure compliance with the approval or the Regulations in an amount and upon conditions to be determined by the Developer or Architectural Control Authority, When Empowered. The setting of an amount as a compliance deposit or of conditions for compliance for any one Lot, shall not in any way act to set a precedent or effect in any way the setting of an amount or conditions of compliance for any other Lot or for any other set of Plans which are to be or have been approved within the Architectural Control Authority. The terms for waiver of any deposit and for the determination of the deposit amount, conditions of payment and the release to an Owner of any remaining portion of said compliance deposit, shall be defined in the Architectural Guidelines and Regulations. Nothing herein shall be deemed to waive or limit in any way any other remedies of the Developer, including those to insure compliance with the Architectural Guidelines and Regulations, or any Owner under this Declaration or at law.

(e) **NEITHER THE DEVELOPER, ITS AGENTS, EMPLOYEES, DIRECTORS, OFFICERS NOR ANY OTHER MEMBER OF AN ARCHITECTURAL CONTROL AUTHORITY, SHALL BE RESPONSIBLE OR LIABLE IN ANY WAY FOR THE DEFECTS, STRUCTURAL OR OTHERWISE, IN ANY PLANS OR SPECIFICATIONS APPROVED BY THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED, NOR FOR ANY DEFECTS IN ANY WORK DONE ACCORDING TO THE PLANS AND SPECIFICATIONS APPROVED BY THE DEVELOPER, THE BOARD OF DIRECTORS OR ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED. FURTHER, NEITHER THE DEVELOPER, THE ASSOCIATION, ARCHITECTURAL CONTROL AUTHORITY, OR THEIR RESPECTIVE SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, OR ATTORNEYS SHALL BE LIABLE TO ANYONE BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, MISFEASANCE, MALFEASANCE OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS OR THE EXERCISE OF ANY OTHER POWER OR RIGHT OF THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY PROVIDED FOR IN THIS DECLARATION. EVERY PERSON WHO SUBMITS PLANS AND**

SPECIFICATIONS TO THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED, FOR APPROVAL AGREES, BY SUBMISSION OF SUCH PLAN AND SPECIFICATIONS, AND EVERY OWNER OF ANY LOT AGREES, THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST THE DEVELOPER, THE ASSOCIATION, THE MEMBERS OF ITS BOARD OF DIRECTORS OR THEIR AGENTS, EMPLOYEES AND OFFICERS, OR ANY MEMBER OR AGENTS OF THE ARCHITECTURAL CONTROL AUTHORITY, TO RECOVER ANY DAMAGES ARISING OUT OF SUCH APPROVAL OR DISAPPROVAL, AND, EACH OWNER BY ACCEPTANCE OF THE DEED TO THE LOT, RELEASES, REMISES, QUIT CLAIMS, AND COVENANTS NOT TO SUE FOR, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH SUCH APPROVAL OR DISAPPROVAL, NOTWITHSTANDING, ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

ARTICLE VIII OWNER'S MAINTENANCE RESPONSIBILITIES

Section 1. OWNER'S MAINTENANCE RESPONSIBILITIES. Unless specifically identified herein or specifically elected by the Developer or the Board of Directors, When Empowered, as being the responsibility of the Association, all maintenance and repair of a Lot or Area of Extended Lot Owner Responsibility, together with all portions of the Dwelling, and other Structures on the Lot, including without limitation landscaping maintenance, shall be the responsibility of the Owner of such Lot. The responsibility of each Owner shall include, but not limited to, the painting, maintenance, repair, and replacement of walls or fences, and all siding, exterior doors, fixtures, mailboxes, equipment, and appliances (including, without limitation, the heating and air-conditioning system for the Dwelling) and all chutes, flues, ducts, conduits, wires, pipes, plumbing or other apparatus which are deemed to be a part of the Dwelling or Lot or Area of Extended Lot Owner Responsibility, and the lawns, trees, shrubs, fences, grass, driveways, walkways or sidewalks and any other landscaping component on the Lot or Area of Extended Lot Owner Responsibility. The responsibility of the Owner shall also include, but not be limited to, the maintenance, repair, and replacement of all glass, lights and light fixtures (exterior and interior), awnings, window boxes, window treatments, window screens, and all screens or glass-enclosed porches, balconies, or decks which are a part of the Dwelling. Each Owner shall also maintain roof, gutters and downspouts in a good state of repair. In addition, each Owner shall maintain their trash receptacles in such a manner as to prevent any foul or unpleasant odors from disturbing others, or odors that may attract animals. Each Owner shall ensure that trash receptacles are maintained in a manner in keeping with the requirements of this Section, including without limitation the responsibility of keeping said receptacles from becoming overloaded with waste and debris or becoming an aesthetic eyesore or potential danger for others in the Community. Trash receptacles shall be stored in a location that is not visible from the street except during the day of pick up. The Developer and the Association, When Empowered, shall have the authority to enforce an Owner's maintenance responsibilities under this Article, pursuant to remedies set forth in this Declaration.

Section 2. OWNER MUST PROVIDE INSURANCE OF DWELLING. Each Owner shall, at its own expense, insure the Dwelling and all other insurable improvements on the Lot in an amount not less than the then current maximum insurable replacement value thereof. Such coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsements and such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm and water damage.

Section 3. RECONSTRUCTION OR REPAIR OF DAMAGED DWELLING. If any Dwelling shall be damaged by casualty, the Owner of such Dwelling shall promptly reconstruct or repair it so as to restore such Dwelling nearly as possible to its condition prior to suffering the damage. All such reconstruction and repair work shall be done in accordance with plans and specifications therefor, approved by the Developer, or Board of Directors, When Empowered. Encroachments upon or in favor of Dwelling or Lots, which may be necessary for or created as a result of such reconstruction or repair, shall not constitute a claim or basis of a proceeding or action by the Owner on whose Dwelling or Lot such encroachment exists, provided that such reconstruction or repair is done substantially in accordance with the plans and specifications approved by the Developer, or Architectural Control Authority, When Empowered, or as the building was originally constructed.

ARTICLE IX

GRADING, DRAINAGE, EROSION CONTROL AND MINOR DRAINAGE

Section 1. GENERAL GRADING, DRAINAGE AND EROSION CONTROL. FOR PURPOSES OF THIS ARTICLE, THE RESPONSIBILITIES HEREINAFTER DESCRIBED OF AN OWNER OF A LOT SHALL INCLUDE THE CORRESPONDING AREA OF EXTENDED LOT OWNER RESPONSIBILITY, IN ADDITION TO THE LOT ITSELF. THE TOTAL RESPONSIBILITY FOR AND COST OF COMPLIANCE WITH THIS SECTION OF THE DECLARATION SHALL BE THAT OF THE OWNER OF THE LOT. ANY OR ALL OF THE RESPONSIBILITY OF THE DEVELOPER AS A LOT OWNER FOR DRAINAGE AND EROSION CONTROL ON OR FROM A LOT AND FOR THE COST THEREOF MAY, IF SO STATED IN THAT AGREEMENT, BE TRANSFERRED THROUGH THE EXECUTION OF A WRITTEN AGREEMENT BETWEEN THE DEVELOPER AND AN INDIVIDUAL OR ENTITY PURCHASING THAT LOT. THE DEVELOPER, OR THE ASSOCIATION, WHEN EMPOWERED, SHALL HAVE AS REMEDIES FOR NON-COMPLIANCE, THE LEVYING OF ASSESSMENTS FOR NON-COMPLIANCE AGAINST THAT LOT, THE AUTHORITY TO ENTER THE LOT AND TAKE APPROPRIATE ACTION TO REMEDY THE VIOLATION OR THE AUTHORITY TO BRING LEGAL ACTION TO FORCE THE OWNER OF THE LOT TO COMPLY WITH THE TERMS SET OUT HEREIN. IN THE EVENT THAT THE DEVELOPER OR THE ASSOCIATION TAKES SUCH ACTION TO ASSURE COMPLIANCE, AS WITH OTHER VIOLATIONS OF THE DECLARATION, ALL COSTS INCURRED BY THE DEVELOPER OR THE ASSOCIATION RELATED TO BRINGING THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY INTO COMPLIANCE SHALL BE THAT OF THE LOT OWNER AND COLLECTABLE BY THE DEVELOPER

FROM THE LOT OWNER OR IF BY THE ASSOCIATION, SHALL BE MADE A PART OF THE ASSOCIATION'S CONTINUING LIEN ON THE LOT.

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

ALL TEMPORARY AND PERMANENT GRADING SHALL BE PERFORMED IN A MANNER TO ALLOW FOR PROPER DRAINAGE, TO PROPERLY MANAGE THE FLOW OF STORM WATER RUN-OFF AND TO CONTROL EROSION. DURING AND AFTER CONSTRUCTION, OWNER (AND DURING CONSTRUCTION, OWNER'S BUILDING CONTRACTOR) SHALL BE RESPONSIBLE FOR MAINTAINING ALL GRADING AND DRAINAGE TO PREVENT THE DAMMING OF WATER, INCREASED RUNOFF, OR EROSION THAT RESULTS IN SEDIMENT LOSS. IN NO CASE SHALL SEDIMENT BE ALLOWED TO WASH ONTO OR ACCUMULATE ON ADJACENT LOTS, ADJACENT

PROPERTIES, INTO BODIES OF WATER, ONTO THE STREETS OF THE COMMUNITY OR INTO THE STORM DRAINAGE SYSTEM; OR TO ADVERSELY AFFECT ANY OF THESE AREAS OR STRUCTURES. LOT OWNER AND LOT OWNER'S BUILDING CONTRACTOR SHALL PROVIDE RIP-RAP, GRAVEL EXITS, WATER BARS, BERMS, SEDIMENT FENCES, HYDROSEEDING, SOD, OR OTHER FORMS OF EROSION CONTROL AS MAY BE REQUIRED BY THE DEVELOPER, THE ASSOCIATION, OR THE ARCHITECTURAL CONTROL AUTHORITY OR ANY GOVERNMENTAL AGENCY.

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

Section 2. MINOR DRAINAGE. MINOR DRAINAGE, DEFINED AS DRAINAGE PIPE OR SYSTEM DRAINING MORE THAN ONE LOT AND THAT IS NOT ACCEPTED FOR MAINTENANCE BY ANY COUNTY OR MUNICIPALITY OR OTHER LIKE ENTITY, MAY BE ACCEPTED FOR MAINTENANCE BY THE ASSOCIATION, PROVIDED, HOWEVER, THAT IN THE EVENT THAT AN OWNER NEGLECTS OR FAILS TO KEEP THE MINOR DRAINAGE LOCATED ON THEIR LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY FREE AND CLEAR OF OBSTRUCTIONS OR BLOCKAGE OR IF AN OWNER SHALL DAMAGE OR DESTROY ANY PORTION OF THE MINOR DRAINAGE SYSTEM ON THEIR LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY, THE DEVELOPER OR THE ASSOCIATION, WHEN EMPOWERED, MAY IN ADDITION TO ANY OTHER REMEDY, ENTER THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY AND CLEAR ANY OBSTRUCTION OF AND REPAIR ANY DAMAGE TO THE MINOR DRAINAGE SYSTEM STRUCTURES ON THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY. THE DETERMINATION AS TO WHETHER THE ASSOCIATION ASSUMES MAINTENANCE RESPONSIBILITY FOR ANY PORTION OF THE MINOR DRAINAGE SYSTEM LOCATED ON A LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY SHALL BE THAT OF THE DEVELOPER AS LONG AS IT OWNS ANY PORTION OF THE PROPERTY. THEREAFTER, THE DETERMINATION AS TO WHETHER THE ASSOCIATION ASSUMES MAINTENANCE RESPONSIBILITY FOR ANY PORTION OF THE MINOR DRAINAGE SYSTEM LOCATED ON A LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY AND AT ALL TIMES AS TO WHETHER AN OWNER HAS NEGLECTED OR FAILED TO KEEP ANY PORTION OF THE MINOR DRAINAGE SYSTEM LOCATED ON THEIR LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY FREE AND CLEAR OF OBSTRUCTIONS OR BLOCKAGE OR HAS DAMAGED OR DESTROYED THE MINOR DRAINAGE STRUCTURES ON THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY SHALL BE MADE BY THE DEVELOPER OR THE BOARD OF DIRECTORS OF THE ASSOCIATION, WHEN EMPOWERED, OR BY AN ENTITY AUTHORIZED TO DO SO BY THE DEVELOPER OR

THE BOARD OF DIRECTORS OF THE ASSOCIATION, WHEN EMPOWERED, IN ITS SOLE DISCRETION. IN THE EVENT THAT THE ASSOCIATION DETERMINES THAT THE NEED FOR MAINTENANCE, REPAIR OR REPLACEMENT OF THE MINOR DRAINAGE, WHETHER SUCH MINOR DRAINAGE SYSTEM OR A PORTION THEREOF IS ACCEPTED FOR MAINTENANCE BY THE ASSOCIATION OR NOT, IS CAUSED THROUGH THE WILLFUL OR NEGLIGENT ACT OF AN OWNER, OR THE FAMILY, GUESTS, EMPLOYEES, LESSEES, OR INVITEE(S) OF ANY OWNER, THEN THE ASSOCIATION MAY PERFORM SUCH MAINTENANCE, REPAIR OR REPLACEMENT AT SUCH OWNER'S SOLE COST AND EXPENSE, AND ALL COSTS THEREOF, TOGETHER WITH ANY ASSESSMENTS FOR NON-COMPLIANCE LEVIED BY THE ASSOCIATION FOR NON-COMPLIANCE AND ALL COSTS OF THE COLLECTION SHALL BE ADDED TO AND BECOME A PART OF THE ASSESSMENT TO WHICH SUCH OWNER IS SUBJECT AND SHALL BECOME A LIEN AGAINST THE LOT OF SUCH OWNER. EACH OWNER IS RESPONSIBLE FOR THE ACTIONS OF AND THE COMPLIANCE WITH THESE DOCUMENTS AND THE REGULATIONS BY THE FAMILY, GUESTS, LESSEES, EMPLOYEES OR INVITEE(S) OF THAT OWNER AND SHALL FURTHER BE RESPONSIBLE FOR THE PAYMENT OF ANY ASSESSMENTS LEVIED FOR THAT NON-COMPLIANCE AND ALL COSTS ASSOCIATED THERETO.

ARTICLE X REMEDIES

Section 1. REMEDIES FOR NONPAYMENT OF ASSESSMENTS. Any Assessments not paid by the due date shall bear interest from the due date at the rate of sixteen percent (16%) per annum or, if sixteen percent (16%) is higher than allowed by law, then the highest rate allowed by law. Said interest shall be charged at the discretion of the Developer or the Association's Board of Directors, When Empowered. In addition, the Developer or the Board of Directors of the Association, When Empowered, shall have the right to charge an Association collection fee or late charge on any Assessment or installment thereof which shall not have been paid by its due date. In the event that the Developer or the Board of Directors of the Association, When Empowered, chooses an installment schedule for the method of payment for an Assessment or as a method of allowing an Owner to pay past due Assessments, and in the event that any installment is delinquent, the Developer or the Board of Directors of the Association, When Empowered, shall have the right to accelerate and immediately make due all or part of the Assessment due from that Owner of that Lot for that budgeted period. The Developer or the Board of Directors of the Association, When Empowered, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the Lot(s) in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages on Time Shares or for the foreclosure of mortgages by judicial proceedings, and may seek a deficiency judgment, and interest, court costs, all costs of collection, including reasonable attorney's fees. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the Assessments provided for herein. No disagreement on the part of any Owner with respect to the budget; the amount or installment schedule for any Assessment; any change to the amount or installment

schedule for the Assessment; the Regulations established or amended by the Developer or the Board of Directors of the Association, When Empowered; the actions or lack of action on the part of the Developer or the Association; the purpose for any Assessment for Capital Repair or Improvements; or the amount or purpose of any Assessment for Budgetary Shortfall shall be reason for any Owner to fail to pay any Assessment at the time that it is due. Also, the Developer or Board of Directors of the Association, When Empowered, may at any time notify the holders of mortgages of the Lot of the failure of the Owner to pay Assessments or any other violation of the Declaration.

Section 2. REMEDIES FOR NONPAYMENT OF AD VALOREM TAXES OR LEVIES FOR PUBLIC IMPROVEMENTS BY THE ASSOCIATION. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or Assessments levied for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or Assessments in an amount determined by dividing the total taxes and/or Assessments due the governmental authority by the total number of Lots in the Community. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien, subordinate to all mortgages on the Lot of the then Owner, his or their heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 3. REMEDIES FOR FAILURE TO MAINTAIN EXTERIOR OF DWELLING AND LOT. In the event that the Owner neglects or fails to maintain his Lot, Area of Extended Lot Owner Responsibility, and/or the exterior of his or her Dwelling in the Community, the Developer or the Association, When Empowered, may in addition to any other remedy, provide such exterior maintenance. The Developer or the Association, When Empowered, shall first give written notice to the Owner of the specific items of the exterior maintenance or repair that the Association intends to perform and the Owner shall have the time set forth in said notice within which to perform such exterior maintenance himself or to satisfy the Association that the required maintenance or repair will be completed in a timely manner. The determination as to whether an Owner has neglected or failed to maintain his Lot, Area of Extended Lot Owner Responsibility, and/or Dwelling in a manner consistent with other Lots, Areas of Extended Lot Owner Responsibility and Dwellings in the Community shall be made by the Developer or the Board of Directors of the Association, When Empowered, in its sole discretion, or an entity authorized to do so by the Developer or the Board of Directors of the Association, When Empowered.

In the event the Association performs such exterior maintenance, repair or replacements repair, the costs of such maintenance, repairs or replacement together with all costs of collecting from the Owner the cost of such maintenance, repairs or replacement established herein shall be added to and become a part of the Assessment to which that Lot is subject.

In the event that the Association determines that the need for maintenance, repair or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent

act of an Owner, or the family, guests, employees, lessees, or invitee(s) of any Owner, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof, together with any Assessments for Non-Compliance levied by the Association for non-compliance and all costs of the collection shall be added to and become a part of the Assessment to which such Owner is subject and shall become a lien against the Lot of such Owner. Each Owner is responsible for the actions of and the compliance with these documents and the Regulations by the family, guests, lessees, employees or invitee(s) of that Owner and shall further be responsible for the payment of any Assessments levied for that non-compliance.

Section 4. ADDITIONAL REMEDIES.

(a) Enforcement of the Declaration, By-Laws of the Association, and the Regulations in addition to any other remedy set out herein, may be carried out by the Developer, the Association, When Empowered, or the Owner through any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction in the Declaration, By-Laws, or Regulations established by the Developer or the Association, When Empowered, either to prevent or restrain violations, to recover damages or to compel a compliance to the terms thereof. Any failure by the Developer, the Association, When Empowered, or any Owner to enforce any covenant or restriction herein contained or contained in the Declaration or By-Laws or to enforce any of the Regulations shall in no event be deemed a waiver of a right to do so thereafter. In addition to the foregoing, the Developer or the Board of Directors of the Association, When Empowered, shall have the right wherever there shall have been built on any Lot or Area of Extended Lot Owner Responsibility any Structure which is in violation of the Declaration, Architectural Guidelines or Regulations to enter upon the Lot or Area of Extended Lot Owner Responsibility where such violation exists and summarily abate or remove the same at the expense of the Owner, including without limitation the right to cease current construction and enjoin further construction, if after written notice of such violation, it shall not have been corrected by the Owner within the time required by the notice of violation. Any such entry and abatement or removal shall not be deemed a trespass.

(b) The Developer or the Association, When Empowered, may, in addition to any other remedy, suspend the Common Area enjoyment rights of any Owner, their family members, lessees, invitees, licensees, employees or guests, or any of their pets or animals, for an appropriate period of time to be determined on a case by case basis by the Developer or the Board of Directors, When Empowered, for any non-compliance with the provisions of this Declaration, the By-Laws or of the Regulations. The right, however, of a Member to ingress and egress over the roads and/or parking areas shall not be suspended if they provide necessary access to their Lot.

(c) The Owner grants to the Developer and the Association the right and permission to enter the Lot to remove or correct any violation of the Declaration, By-Laws or Regulations, including but not limited to, the maintenance of Lots, Areas of Extended Lot Owner Responsibility or any Structure (as defined in Article I, Section 1) thereon, and the removal of abandoned automobiles from any portion of the Property considered by the Board of Directors to be in violation with the Regulations, Declaration, By-Laws or to be a nuisance.

(d) In addition to the remedies outlined in this Article, the Developer or the Association, When Empowered, may, but shall not be required to, enter upon any Lot(s), Area of Extended Lot Owner Responsibility or Common Area, seize and either deliver to the animal control authority at the Owner's cost, any pet or other animal that is not in compliance with the Declaration, By-Laws, or the Regulations or to be a nuisance. Notice of non-compliance shall be given to any Owner whose pets or animals are not in compliance, except when said non-compliance creates an emergency as determined by the Developer or the Board of Directors of the Association, When Empowered. The departure, while not under the restraint of a leash, of any pet or other animal from the Lot of its Owner, shall immediately constitute an emergency and there shall be no requirement for notice to be given.

(e) In addition to the remedies outlined above in this Article, the Developer, or the Association, When Empowered, shall have the right to arrange for the removal, at the Owners expense, of any vehicle that is parked in violation of the Declaration or the Regulations after notice to the Owner of the Lot on or beside which the vehicle is parked. Notice of non-compliance shall be given to any Owner where the parking of a vehicle or vehicles, except when said non-compliance creates an emergency as determined by the Developer or the Board of Directors of the Association, When Empowered. The parking of a vehicle which impedes the passage of any emergency vehicle or school bus, shall immediately constitute an emergency and there shall be no requirement for notice to be given.

(f) In addition to the remedies outlined above in this Article, the Developer, or the Association, When Empowered, shall have the right to deny any and all services provided by the Association to its Members, including without limitation review and/or approval of architectural plans by the Architectural Control Authority, to those Members who are not in compliance with the terms of the Declaration, the By-Laws, the Architectural Guidelines, or the Regulations, including without limitation those Members who owe past due Assessments, until such time as the Member comes back into compliance in the sole discretion of the Developer, or the Board of Directors, When Empowered.

(g) With regard to Owners of multiple Lots in the Community, including without limitation builders, and in addition to the remedies outlined above in this Article, the Developer, or the Association, When Empowered, shall have the right to apply delinquent Assessment amounts owed on one or more of the Owner's Lots to the Association's all-encompassing lien over all the Lots in the Community owned by that Owner, and the Developer and the Association, When Empowered, shall possess all the rights and powers of remedying delinquent Assessments and enforcing its continuing lien on the Lots as set forth in the provisions of this Declaration. The Association's all-encompassing lien over said Lots shall not be released on the individual Lots it covers until any and all Assessment delinquencies for all the Owner's Lots have been remedied by the Owner, unless otherwise authorized by the Developer or the Association, When Empowered. If such a Lot is sold without payment of its delinquent assessments, the Association may apply that delinquent amount to its all-encompassing lien over that Owner's remaining Lots in the Community.

(h) All costs incurred by the Developer (in its capacity as a Class "B" Member) or the Association, When Empowered, as a result of any violation(s) of any provision of this Declaration, the Architectural Guidelines, or the Regulations, including without limitation all costs of collection and attorney's fees, shall be a lien upon the affected property and a personal obligation of the applicable Owner.

Section 5. DEVELOPER'S CLASS "C" MEMBERSHIP ENFORCEMENT REMEDIES.

(a) In addition to the remedies outlined above in this Article and in addition to any other remedies or rights reserved to the Developer under a previously recorded document affecting the Property or a portion thereof, the Developer's right to enforce the provisions of this Declaration, the By-Laws, the Architectural Guidelines, and the Regulations shall extend for as long as the Developer owes any duties or obligations to a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property, even if the Developer has already turned over control of the Association to a Member-elected Board of Directors and even if one hundred (100%) percent of the Dwellings permitted by the Master Plan already have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale (i.e., Class "B" Membership has converted to Class "C" Membership), PROVIDED that the Developer may exercise the extended enforcement rights described in this Section only for the specific purpose of (1) responding to a request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property or (2) in the sole discretion of the Developer, preventing an anticipated request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property.

(b) The Developer may exercise its extended enforcement powers described in this Section: (1) through the Association, whereby the Association exercises its enforcement powers under this Declaration in order to adequately respond to, or attempt to prevent, the request or demand of a governmental body, district, agency, or authority; or (2) independently of the Association, whereby the Developer exercises any and all enforcement powers reserved to it under the Declaration in order to adequately respond to, or attempt to prevent, the request or demand of a governmental body, district, agency, or authority, including without limitation the right to enter any portion of the Property to remedy a violation, the right to impose Assessments for Non-Compliance and the right to file a lien upon the Lot of the Owner against whom enforcement is being sought for the amount of such Assessments, and the right to bring any and all other legal actions to force compliance by an Owner. In the event the Developer exercises said extended enforcement powers, all costs incurred by the Developer, including reasonable attorney's fees, shall be the responsibility of the Lot Owner(s) against whom enforcement was sought and shall be added to the lien filed by the Developer against said Lot Owner, if applicable. The provisions of this Section provide the Developer with the option of exercising extended enforcement powers under the Declaration as a Class "C" Member, however they do not impose any duty or obligation upon the Developer to do so.

ARTICLE XI ADDITIONAL MATTERS DEALING WITH PHASED COMMUNITY

Section 1. ANNEXATION OF ADDITIONAL PROPERTY OR REMOVAL OF PROPERTY. So long as the Developer owns any portion of the Property, the Developer shall have the right to annex additional property into the Property by the filing of an amendment or addendum to this Declaration describing the property annexed and imposing this Declaration upon such property. All property annexed in this manner shall be a part of the Property and Community as fully as if it had been a part thereof from the filing of this Declaration. As property is added to the Community, if any, the Lots comprising such additional property shall be counted for the purpose of voting rights. So long as the Developer owns any portion of the Property, the Developer shall have the right to remove portions of the Property from the operation of the Declaration by filing an amendment or addendum to this Declaration describing the portion of the Property removed and releasing said portion from this Declaration.

ARTICLE XII GENERAL PROVISIONS

Section 1. DURATION. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the sole benefit of and be enforceable by the Developer, so long as the Developer owns any portion of the Property, and thereafter to the Association. All covenants, conditions, limitations, restrictions, and affirmative obligations set forth in this Declaration, and amended as provided in Sections 5 and 6 of this Article from time to time, shall be binding and run with the land and continue until twenty one (21) years from the date of execution hereof, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by two-thirds (2/3) of the then Owners affected by the same has been recorded, agreeing to change the same in whole or in part; provided, however, that all property rights and other rights reserved to the Developer shall continue forever to the Developer, except as otherwise herein provided.

Section 2. NOTICE. Any notice required to be sent to any Member or Owner under the provision of this Declaration and service of any legal proceedings shall be deemed to have been properly sent and received when personally delivered or mailed, postpaid, to the last known address of the person who appears as that person authorized to receive notice or to vote as shown on the records of the Association at the time of such mailing. It shall at all times be the responsibility of any Owner to file written notice with the Association of the name and address of the person authorized to receive notification from the Association or the Developer as to Assessments, or infractions of the Regulations. Proof of the authority to receive notice and to vote shall be presented to the Association in the form of a certificate signed by the Owner of a Lot or HUD Settlement. Such certificate shall be deemed valid until revoked by a subsequent certificate. The Association does not have to send notice or service to any other address. If the Owner does not file such certificate, the notice or service shall be sufficient if delivered, posted or mail postpaid to the Lot

Section 3. SETTLEMENT STATEMENT AUTHORIZATION. The Owner by acceptance of the deed authorizes and directs the closing attorney to provide the Association with a copy of the Settlement Statement from the closing transferring the Lot and/or Dwelling to the Owner.

Section 4. SEVERABILITY. In the event that any one or more of the foregoing conditions, covenants, restrictions, or reservations shall be declared for any reason by a court of competent jurisdiction to be null and void, such judgment or decree shall not in any manner whatsoever effect, modify, change, aberrant, or nullify any of these covenants, conditions, and restrictions not so declared to be void but all remaining covenants, conditions, reservations and restrictions not so expressly held to be void shall continue unimpaired and in full force and effect.

Section 5. AMENDMENT. With respect to the minimum square footage requirements in the Community, the Developer reserves the right to alter, from time to time, the minimum square footage requirements as established by the Developer or as set out the Architectural Guidelines and Regulations, when established. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges, and liens for this Agreement may be amended, changed, added to, derogated or deleted at any time and from time to time upon the execution and recordation of any instrument executed by Owners holding not less than a majority of votes of the Owners of the Membership of the Association, provided that so long as the Developer is the Owner of any Lot affected by this Declaration, the Developer's consent must be obtained. Provided, further, that the provisions for voting of Class A and Class B Members as herein contained in this Declaration shall also be effective in voting changes in this Declaration. Without limiting the foregoing, the Association, and so long as the Developer owns at least one (1) Lot in the Community, the Developer or the Board of Directors, When Empowered, shall, at any time and from time to time as the Developer or Board of Directors, When Empowered, see fit, have the right to cause this document to be amended to correct any clerical or scrivener's error(s) or to conform to the requirements of the Federal Housing Administration or the Veterans Administration or the Federal National Mortgage Corporation, FNMA or any other insurer or purchaser of mortgage secured by the Lots as the same may be amended from time to time. Notwithstanding the above-stated Amendment rights, under no circumstances shall the Association, When Empowered, or its Board of Directors, When Empowered, amend this Declaration or the By-Laws of the Association so as to delete, lessen, or otherwise negatively affect the rights granted to and reserved to the Developer in this Declaration and the By-Laws of the Association; further, if any amendments are passed and recorded in violation of this Section, such amendments shall be null and void.

Section 6. AMENDMENT BY DEVELOPER. In addition to any other right to amend as set out herein, as long as the Developer owns any portion of the Property, the Developer may amend and/or restate this Declaration without the consent of the Owners, their mortgagees, or the Association. Subject to the Declaration, every purchaser or grantee of any Lot or Common Area now and hereafter, by acceptance of a deed or other conveyance thereof, agrees that the Declaration may be amended as provided herein and such amendment shall be applicable to and binding upon the Owners and the Lots. At the option and sole discretion of the Developer, for so long as the Developer owns any portion of the Property, any and all amendments to this Declaration made under the authority of this Section may apply: (i) upon the day of execution or recording; (ii)

retroactively to the date of this Declaration or to some other specified date in the amendment; or (iii) prospectively to some specified date in the amendment.

Section 7. EFFECTIVE DATE. This Declaration shall become effective upon its recordation in the office of The Register of Deeds for the county in which the Property is located.

Section 8. PAID PROFESSIONAL MANAGER. The Developer or the Board of Directors, When Empowered, may employ a manager or managerial firm to supervise all work, labor, services, and material required in the operation and maintenance of the Common Area and in the discharge of the Association's duties throughout the Community.

Section 9. BINDING EFFECT. This Declaration shall inure to the sole benefit of the Developer for so long as the Developer owns any portion of the Property, and thereafter to the Association. This Declaration shall be binding upon the parties hereto, including without limitation all Owners, and the purchasers of Lots, their heirs, personal representatives, successors and assigns. At the option and sole discretion of the Developer, for so long as the Developer owns any portion of the Property, any and all amendments to this Declaration made under the authority of Section 6 of this Article may apply: (i) upon the day of execution or recording; (ii) retroactively to the date of this Declaration or to some other specified date in the amendment; or (iii) prospectively to some specified date in the amendment.

Section 10. WAIVER. The failure to enforce any rights, reservations, restrictions, or conditions contained in this Declaration, however long continued, shall not be construed to constitute a precedent or be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Section 11. ATTORNEY'S FEES AND COST. Should the Developer or the Association employ counsel to enforce the Declaration, or the reasonable rules, regulations and policies established or amended by the Developer or the Board of Directors from time to time because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for the Developer's or the Association's counsel and other reasonable costs of collection, shall be paid by the Owner of such Lot or Lots in breach thereof.

Section 12. DEVELOPER LIABILITY AND HOLD HARMLESS. The Developer herein shall not in any way or manner be liable or responsible for any violation of the Declaration by any person other than itself. The Owners and the Association shall hold harmless the Developer from any liability, loss or cost arising out of their or their agents, guests or invitees violation of the Declaration.

Section 13. SAFETY AND SECURITY. Each Owner and their respective visitors, invitees, and guests, shall be responsible for their own personal safety and the security of their property in the Community. The Developer and the Association, When Empowered, shall have no duty to enhance the level of safety or security which each person provides for himself or herself and his or her property, nor shall the Developer or the Association, When Empowered, have any duty to respond to a safety or security problem if provided notice of

such, although nothing herein shall prevent the Developer or the Association, When Empowered, from voluntarily (1) passing on such notification to the proper law enforcement or governmental authorities, (2) responding in some other manner to protect safety or security, or (3) taking action to enhance the level of safety or security in the Community. Neither the Developer nor the Association, When Empowered, shall in any way be considered insurers or guarantors of safety or security with the Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or failure to respond adequately to a security problem or the dangerous or hazardous condition of the Property. Each Owner acknowledges, understands, and shall be responsible for informing its occupants, visitors, invitees, and guests that the Developer, the Association, When Empowered, and its Board of Directors and Committees are not insurers or guarantors of security or safety and that each person with the Community assumes all risks of personal injury and loss or damage to property, including Dwellings and the contents therein, resulting from acts of third parties or from any dangerous or hazardous condition. Each Owner also acknowledges, understands, and shall inform its occupants, visitors, invitees, and guests that they are responsible for contacting the appropriate public authorities directly when safety or security problems arise.

Section 14. TIME REDUCTION. In the event that any of the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which same shall be effective, then and in that event such terms shall be reduced to a period of time which shall not violate the rule against perpetuities or any other law of the State of South Carolina and such provisions shall be fully effective for such period of time.

Section 15. ASSIGNABILITY OF RIGHTS AND POWERS. By the filing of a document in the County Register of Deeds Office or by providing notice, the Developer or the Association, When Empowered, may assign, either permanently or temporarily or in part or in whole, any or all of the rights and powers granted or arising from the Declaration to one or more entities or persons without the consent of any Owner. The Developer or the Association, When Empowered, may delegate any of the above-stated powers and rights to the same extent as it may assign them without any recording or notice requirements.

[[Signature pages to follow]]

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed by its proper officers and its corporate seal to be affixed thereto on the day and year first above written.

SIGNED SEALED AND DELIVERED
in the presence of:

WITNESSES:

DEVELOPER: NEWMAN & SIMS
DEVELOPMENT INC.

Jessie M. Baker
Anner Humphries

L. Allen Newman SEAL
By: *L. Allen Newman*
Its: *pres,*

STATE OF SOUTH CAROLINA)
COUNTY OF *Spartanburg*)

ACKNOWLEDGMENT

I, *Gretchen H. McGuinn*, Notary Public for the State of South Carolina, do hereby certify that *Allen Newman*, in his capacity as *President* of NEWMAN & SIMS DEVELOPMENT INC., personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Sworn and subscribed before me this
17 day of *July*, 2020.

Gretchen H. McGuinn SEAL
Notary Public for South Carolina
My Commission Expires: *9/19/26*

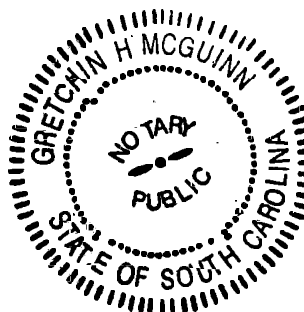


EXHIBIT "A"

LEGAL DESCRIPTION

All that certain piece, parcel or lot of land, situate, lying and being in the State of South Carolina, County of Spartanburg, being shown and designated as Lot Nos. 49 through 80 on plat prepared for Newman & Sims Development Inc., dated June 5, 2020 and recorded in Plat Book 177 at Page 600, Register of Deeds for Spartanburg County, South Carolina.

EXHIBIT "B"
BY-LAWS
OF THE
FOSTER PLACE PHASE 2 HOME OWNERS ASSOCIATION INC

ARTICLE I

NAME AND LOCATION

These are the By-Laws of the Foster Place Phase 2 Home Owners Association INC., hereinafter referred to as the "Association." The principal office of the Corporation shall be located at the office of the Registered Agent, but meetings of Members and Directors may be held at such places as may be designated by the Board of Directors from time to time.

ARTICLE II

DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein) shall have the meanings set forth in the Declarations as duly recorded in the Office of the Register of Deeds for Spartanburg County, South Carolina, as the same may be supplemented and amended from time to time.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation, and architectural control of the residential Lots, Common Area, Area of Common Responsibility, and Area of Extended Lot Owner Responsibility within those certain tract(s) and/or lot(s) of Property described in Exhibit A attached to the Declaration and incorporated by reference, and to promote the health, safety and welfare of the residences

within the Community and any additions thereto as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

(a) Exercise all of the powers and privileges and to perform, or delegate to an appropriate person or entity the authority to perform, all of the duties and obligations of the Association, including the establishment and amendment of the Regulations of the Association and the use and maintenance of the Common Area, Area of Common Responsibility, and Area of Extended Lot Owner Responsibility, as set forth in the Declaration as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth in length;

(b) Fix, levy, collect and enforce payment by any lawful means, all Assessments pursuant to the terms of the Declaration; pay all expenses in connection therewith; and pay all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property including, but not limited to the Common Area, as determined advisable by the Board of Directors;

(d) Borrow money, mortgage, pledge, deed in trust, or hypothecate any and all of its real or personal property including, but not limited to the Common Area, as security for money borrowed or debts incurred upon arrival by the affirmative casting of two-thirds (2/3) of all Class A and B votes of the Association;

(e) Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional residential property and Common Area, provided that any such merger, consolidation, or annexation shall have the assent of Members of the Association controlling a majority of all Class A and B votes of the Association, provided, however, that this shall not affect the right of the Developer to add additional Property to the Community and Association as set out in the Declaration;

(f) Make, by decision of the Board of Directors, and subject to applicable law, any election of a fiscal year for the Association, as the Board of Directors shall determine from time to time;

(g) To have and exercise any and all powers, rights, and privileges which a corporation organized under the nonprofit corporation law of the state of South Carolina by law may now or hereafter have or exercise including the right to enter into agreement with other Associations and entities for the management and maintenance of Common Area of such Association or entities;

(h) Notwithstanding the purposes and powers of the Association enumerated above, the Association, after passage of control to the Owners and Co-owners by converting Class B membership to Class A membership as set forth in the Declaration, shall not enter into, either directly or indirectly, contracts or leases with the Developer (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control in accordance with the Declaration, upon not more than ninety (90) days' notice to the other party to the said contract or lease.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held at a time, date, and place established by the Developer within twelve (12) months after the organization of the Association. Subsequent annual meetings of the Members shall be held at a time, date and place established by the Board of Directors each year so long as no annual meetings of the Members shall be scheduled on a legal holiday. As long as the Developer maintains its Class B membership, the Developer shall appoint the Board of Directors and the only purpose of the annual meeting will be (1) to serve as a town forum in which the president and officers report on and answer reasonable questions concerning the activities and financial condition of the Association; and (2) consider matters raised consistent with the requirements of the South Carolina Nonprofit Corporation Act, S.C. Code Ann. § 33-31-101 et seq., hereinafter referred to as the "Act."

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the Developer, President or by the Board of Directors, or as prescribed under the Act. Only those matters that are within the purpose or purposes described in the meeting notice may be conducted at a special meeting.

Section 3. Notice of Meetings. Written notice specifying the place, day and hour of the meeting of the Members, and, in the case of the special meeting, also specifying the purpose of each meeting and the description of the matter for which the meeting was called, shall be given by, including the Developer, any fair and reasonable manner. The mailing of a copy of such notice of a special or annual meeting by first class mail or registered mail, postage prepaid, at least ten (10) days (or if notice is mailed by other than first class or registered mail, at least thirty (30) days) and not more than sixty (60) days before such meeting date to each Member entitled to vote at the meeting, including the Developer, addressed to the Members' address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice shall be considered fair and reasonable. The notice requirement may be waived by a Member before or after the date and time of the meeting as stated in the notice. The waiver must be in writing, be signed by the Member and be delivered to the Association for inclusion in the minutes of the meeting, except that the attendance of a Member at a meeting waives notice unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. Also, an Emergency Meeting may be called with a twenty-four (24) hour notice to those Members entitled to vote, upon the unanimous vote of the Association's Board in the event an issue requires the immediate attention of the Members of the Association. If a meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time or place, if (1) the new date, time, or place is announced at the meeting before adjournment and (2) the record date fixed pursuant to Section 9 of this Article for the adjourned meeting is not changed for the new meeting (either voluntarily by the Board or as required under the Act).

Section 4. Quorum. The presence at a meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such

quorum shall not be present or represented at any meeting, the Members present shall have power to adjourn the meeting from time to time, without notice as long as the requirements of Section 3 of this Article are met. The quorum at the new meeting shall be reduced to five percent (5%) of each Class of Members.

Section 5. Proxies. Votes may be cast in person or by proxy. All appointment of proxies shall be by written appointment form, signed either personally or by an attorney-in-fact and filed with the Secretary prior to the vote being taken at the meeting in the case of a vote that is taken at a scheduled meeting (or such other time set out on the appointment form or meeting notice) and by the deadline established by the appropriate notification of a vote to be taken in any other manner. Except as otherwise allowed herein or by written authorization of the Board of Directors of the Association, no appointment form shall confer on the proxy a broader authority than to vote on the matter(s) or at the meeting(s) than is defined on the appointment form. Every proxy shall be revocable at the pleasure of the Owner or any one of the Co-owners issuing it, up to the time that the vote for which it was issued is cast and shall automatically cease upon conveyance by the Owner or any of the Co-owners of that Lot, the Member attending any meeting and voting in person, the Member signing, and delivery to the Secretary in writing revoking the appointment, or upon receipt of notice by the Secretary or the officer or agent authorized to tabulate the vote prior to the proxy casting vote of the death of the Member.

Section 6. Parliamentary Rules. Robert's Rules of order (latest edition) or such other rules as the Board of Directors may adopt shall govern the conduct of corporate proceedings when not in conflict with the Declaration, the Articles of Incorporation, these By-Laws or with the statutes of the State of South Carolina.

Section 7. Failure to Hold Meetings. The failure to hold an annual or regular meeting at a time stated in or fixed in accordance with these By-Laws does not affect the validity of a corporate action.

Section 8. Authorization to Vote and Notice by Owner. It shall at all times be the responsibility of any Lot Owner and all Co-owners to keep current with the Association, the name and address of the person authorized to cast the vote assigned to that Lot and to receive notification from the Association as to any

meetings which the Association may be required to send. Proof of the authority to receive notice and to vote shall be presented to the Association in the form of a certificate signed by the Owner or all of the Co-owners of the Lot. Such certificate shall be deemed valid until revoked by a subsequent certificate.

Section 9. Record Date. The Board of Directors shall set the record date for determining the Members entitled to notice of a Members meeting; to vote at a Members meeting; and to exercise any rights in respect of any other lawful action. The record date shall not be more than seventy (70) days before the meeting or action requiring a determination of the Members occurs.

Section 10. Voting Requirements. Unless otherwise required in these By-Laws, the Declaration, the Articles of Incorporation, or the law, the affirmative vote of the votes represented and voting, which affirmative vote also constitutes a majority of the required quorum, is the act of the Members.

Section 11. Action by Written Ballot. Any action that may be taken at any annual, regular or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter and the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at the meeting.

ARTICLE V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number & Types. The affairs of this Association shall be managed by a Board of not less than three (3) Directors, who need not be Members of the Association; provided, however, that so long as the Developer maintains its Class B Membership, all Directors shall be appointed by the Developer unless the Developer voluntarily waives its appointment power and authorizes the Association to elect Directors in accordance with these ByLaws. At any time the Developer, so long as it maintains its Class B Membership, or the Association thereafter by the affirmative vote of a majority (51%) of all of the Members' votes, may increase or decrease the number of Directors of the Association so long as there are never less than three (3) Directors at any given point, and so long as the rest of the terms of these ByLaws are adhered to. All Directors

who are also Members must be in good standing with the Association in order to seek election to, or continue to hold a position on, the Board of Directors.

Section 2. Term of Office. At the first annual meeting after the termination of the Developer's Class B votes, the Members will elect three (3) Directors for terms in accordance with Article VI, Section 2 of these By-Laws.

Section 3. Removal. At any time, any Director(s) appointed by the Developer may be removed from the Board, with or without cause, by the Developer by giving written notice of removal to the Director and either the presiding officers of the Board of Directors or the Association President or Secretary. Any Director(s) elected by the Association may be removed from the Board of Directors, with or without cause, by the affirmative casting of a majority (51%) of all of the votes of the Association. Any Director(s) who is a Member and who is not in good standing with the Association, or who misses three (3) consecutive Board meetings (unless such absence shall have been excused by the Chairman of the Board of Directors or other person(s) authorized to do so), may be immediately removed from the Board of Directors by the remaining Board members and replaced in accordance with these By-Laws. In the event of death, resignation, or removal of a Director, a successor shall be selected by the Developer, if that Director was appointed by the Developer, or the remaining Members of the Board of Directors, if elected by the Members of the Association and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. Compensation of any Director shall require the affirmative casting of a majority (51%) of all of the Class A and B votes. This provision shall in no way require the Members approval of or preclude the Board of Directors from compensating a Director for his duties as an officer of the Association, from employing a Director as an employee of the Association, or shall it preclude the Association from contracting with and thereafter compensating a Director for the management of the Association.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of a majority

(51%) of the Directors, which shall represent a quorum. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. Reversal of Board of Directors. A decision of the Board of Directors, an officer or a committee of the Association may be reversed or modified by the Developer as long as the Developer owns any portion of the Property.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Except where Directors are appointed or replaced by the Developer or the Board of Directors, nomination for election for the Board of Directors shall be made by a Nominating Committee or as specified in guidelines set forth by the Board of Directors. For purposes of the first Annual Meeting after the termination of the Developer's Class B membership, the Nominating Committee, when created, shall consist of a Chairman and at least two (2) more Members of the Association. For purposes of all subsequent Annual Meetings, at least one member of the Nominating Committee shall be a member of the Board of Directors. The Nominating Committee shall be appointed by the Board of Directors. Members of the Nominating Committee shall serve from the close of the annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Unless agreed to otherwise by the affirmative vote of a majority (51%) of Members entitled to vote and present at the meeting, election to the Board of Directors shall be by secret ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these By-Laws and the Declaration. At the first annual meeting after the termination of the Developer's Class B membership, the Members shall elect three (3) Directors, each for a term of one year; and at each annual meeting thereafter, the Members shall elect successor Directors for terms of one year. The term of any Director shall be automatically extended and shall not expire until the

annual meeting at which a successor for that Director is elected. The person(s) receiving the largest number of votes shall be elected. If no nominee(s) are nominated pursuant to these ByLaws, that (or those) Director(s) shall be appointed by the current Board of Directors of the Association. Cumulative voting, voting more than one (1) time for any Director, is not permitted under any circumstances.

ARTICLE VII

MEETING OF DIRECTORS

Section 1. Regular Meetings. Until the end of the Developer's Class "B" Membership, regular meetings of the Board of Directors shall be held at dates, times and places and as frequently as is deemed prudent by the Developer. Upon the end of the Developer's Class "B" Membership, regular meetings of the Board of Directors shall be held quarterly, or more frequently, and at dates, times and places determined by a majority (51%) of the Board of Directors. Without the approval of all of the Directors, no meeting shall fall upon a legal holiday. No notice shall be required for regular meetings.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association or any two (2) Directors, after not less than two (2) days' notice is given, either personally, by mail, or by telephone, to each Director, unless waived in writing signed by the Director or by attendance of the meeting without objection or participation.

Section 3. Quorum. A majority (51%) of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision authorized by a majority (51%) of the Directors either by written consent or when present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE VIII

POWERS, DUTIES AND REQUIREMENTS OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors, When Empowered, shall have the power, but not the obligation, to perform such duties as authorized by the Declaration, to include, but not be limited, to:

(a) Adopt, amend and publish the Architectural Guidelines for the Community and Regulations of the Association governing the Area of Common Responsibility, the Area of Extended Lot Owner Responsibility, and the Common Area and facilities thereon and the personal conduct of the Members and their guests upon the entire Community, and to establish Assessments for the infraction thereof;

(b) Suspend the voting rights, the right to use the recreational facilities on the Common Areas, and the services provided by the Association, including without limitation architectural review services, of a Member during any period in which each Member shall be in default in the payment of any Assessment levied by the Association or for any other violation of the Declaration, the Architectural Guidelines, or the Regulations;

(c) Exercise for the Association of all of the powers, duties, and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member (i) is absent from three (3) consecutive regular meetings of the Board of Directors unless such absence shall have been excused by the Chairman of the Board of Directors or other person(s) authorized to do so, or (ii) is otherwise not in good standing as a Member of the Association, including without limitation failure to pay Assessments when due;

(e) Employ a manager, an independent contractor, Treasurer of the Association or such other employees as they may deem necessary, to prescribe their duties and;

(f) Levy Assessments and to collect from the Members all costs of collection, including but not limited to court costs and reasonable attorney fees, for all infractions of the Association's Regulations, the Architectural Guidelines, the Declaration, Articles of Incorporation or these By-Laws.

(g) Delegate, in part or in total, to any employee, agent, director, officer, contractor, manager or other appropriate entity, any power or authority given to the Board of Directors by the Covenants and Restrictions for the Community or these By-laws.

Section 2. Duties. It shall be the responsibility of the Board of Directors to:

- (a) Comply with the requirements of the Act regarding Annual Meetings;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) Perform such other duties as required by the Declaration, the Articles of Incorporation or the By-laws.
- (d) Take legal action where it is deemed prudent and to be in the best interest of the Association by the Board of Directors, including without limitation foreclosure of the lien against any Lot for which Assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner or Co-owners personally obligated to pay the same as provided in the Declaration, or both;
- (e) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. At all times the Association records with respect to payments made or due shall be deemed correct unless proper documentation to the contrary can be produced. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment. A reasonable charge may be made by the Board for the issuance of these certificates;
- (f) Procure and maintain liability and hazard insurance on property owned by the Association in amounts established by the Board of Directors in its sole discretion and with insurance companies licensed to do business in South Carolina with a Best rating of AA or better;

(g) Cause and pay for all officers or employees having fiscal responsibilities to be bonded, if and as it may be deemed appropriate by the Board of Directors;

(h) Cause the Common Area to be maintained.

Section 3. Requirements: The Board shall not be authorized or obligated to initiate, and the Association shall not initiate, any judicial or administrative proceeding unless first approved by a seventy-five percent (75%) affirmative vote of the entire Association Membership, except that no such approval shall be required for actions or proceedings: (1) initiated to enforce the provisions of the Declaration, these By-Laws, Architectural Guidelines, or Regulations to include collection of any assessment; (2) initiated to challenge property taxation or condemnation proceedings; (3) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it. This Section 3 of Article VIII of these By-Laws shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The offices of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board of Directors from time to time by resolution create. Compensation for the officers and the employees of the Association shall be fixed by the Board of Directors of the Association. The Board of Directors may employ a Director as an employee of the Association, and may contract with and thereafter compensate that Director for the management of the Association.

Section 2. Appointment of Officers. All officers shall be appointed by the Board of Directors.

Section 3. Term. Officers of this Association shall be appointed annually by the Board, and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board of Directors may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any Officer may be removed from office with or without cause by a majority (51%) vote of the Board of Directors. Any Officer may resign at any time giving written notice to the Board of Directors, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person, otherwise no office may be held by the same person during the same time period. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; see that the orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, promissory notes, deeds and other written instruments and shall be authorized, along with the Treasurer and other authorized parties, to sign on all checking accounts. If any vote of the Board results in a tie, the President shall cast the tie-breaking vote.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep any corporate seal obtained by the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing Members of the Association together with their addresses, authenticate the records of the Association and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by Resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; and keep proper books of accounts.

ARTICLE X

COMMITTEES AND ARCHITECTURAL CONTROL AUTHORITY

When Empowered, the Association's Board of Directors by majority vote shall appoint an Architectural Control Authority for the Community. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose, including the establishment of a Nominating Committee as required herein. Compensation for committee members and for any employees of the Association assigned to or hired by these committees shall be fixed or approved by the Board of Directors of the Association.

ARTICLE XI

BOOKS, RECORDS, AND PUBLICATIONS

The books, records, publications, and papers of the Association shall at all times, during reasonable business hours, or other reasonable circumstances, and by appointment, be subject to inspection by any Member. Upon reasonable notice to the Association or its designated manager, the Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies of the governing documents addressed in this paragraph may be purchased at a reasonable cost.

Upon written request, and pursuant to the Act, any Member shall be entitled to inspect the latest financial statements and accounting records of the Association.

ARTICLE XII

FUNDS AND BONDS

Section 1. Payments and Depositories All monies collected by the Association shall be treated as the separate property of the Association and such monies may be applied by the said Association to the payment of any of the expense of operating and managing the Association, or to the proper undertaking of all acts and

duties imposed upon it by virtue of these By-Laws, the Articles of Incorporation and the Declaration. As the moneys for any Assessment is paid unto the Association by any Owner or Co-owner of a Lot the same may be commingled with the monies paid to the Association by the other Owners or Co-owners of Lots. All funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or use of the Common Areas, shall be held for the benefit of the Members of the Association.

The depository of the Association shall be such bank or other Federally Insured depository as shall be designated from time to time by the Board of Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.

In the event the Board of Directors uses funds collected and held in the Association's reserve account(s), the Board of Directors shall have the option, in its sole discretion and without notice to the Members, to replenish (in whole or in part) or not to replenish said reserve account(s).

Section 2. Bonds. At the discretion of the Board of Directors, fidelity bonds shall be required on all members of the Board of Directors, the Officers of the Association and any other persons, employees or entities handling or responsible for the funds of the Association. The amounts of such bonds shall be determined by the Directors, but if it is determined that bonds are to be obtained, they shall be at least equal to the amounts to be handled at any point by that person or entity. Unless verification that the bonds have been provided by such person or entity is obtained by or provided for the Board of Directors, the premiums for these bonds shall be paid by the Association as a common expense.

ARTICLE XIII CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the name of the Association.

ARTICLE XIV AMENDMENTS

Section 1. Except as otherwise required herein, by law, by the Declaration or by the Articles of Incorporation of the Association, these By-Laws may be amended by the affirmative casting of a majority (51%) of votes of the Board of Directors. Without limiting the foregoing, the Board of Directors, and for so long as the Developer owns any portion of the Property, the Developer, shall, at any time and from time to time as they see fit, have the right to cause this document to be amended to correct any clerical or scrivener's error(s) or to conform to the requirements of the Federal Housing Administration or the Veterans Administration or the Federal National Mortgage Corporation, FHLMC and such other secondary market agencies as the same may be amended from time to time.

Section 2. In addition to any other right to amend as set out herein, as long as the Developer owns any portion of the Property the Developer may amend and/or restate these By-Laws without the consent of the Owners, their mortgagees, or the Association. Subject to the Declaration and these By-Laws, every purchaser or grantee of any Lot or Common Area now and hereafter, by acceptance of a deed or other conveyance thereof, agrees that the By-Laws may be amended as provided herein.

ARTICLE XV

MISCELLANEOUS

Section 1. In case of any conflict with the provisions of the South Carolina Non-profit Corporation laws, such laws shall control. Such laws are incorporated herein by reference as if fully set out herein.

Section 2. Subject to the right of the Board to set or a ruling by the Internal Revenue Service, the fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 3. The Association shall indemnify an individual made a party to a proceeding because the individual is or was a Director, or officer against liability incurred in the proceeding if the individual complies with the requirements of the Act and shall pay for or reimburse the reasonable expenses incurred by the director or officer who is a party to a proceeding in advance of final disposition of the proceeding if the director complies with the terms of the Act.

EXHIBIT "C"

**STANDARD
DEVELOPER
REGULATIONS**

FOR

Foster Place Phase 2

With Fines

INTRODUCTION

This document, the Regulations for **Community**, defines and extends some of the rights and authority granted to the Developer and to the Association (when empowered by a partial or total transfer of control of authority from the Developer) by the Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for **Community** (Declaration). Further, this document creates additional Regulations for the entire Community, for the use of lots and Common Areas (if any are dedicated) within the Community and for the actions and behavior of all property owners, their family members, guests, invitees, licensees and permittees, while residing in and visiting the Community or while using Common Areas and facilities (if any) within the Community. Additional Restrictions and Regulations are set out in the Declaration.

We encourage you to review this document, to familiarize yourself with the Regulations that are set out here and in the Declaration, as well as the requirements spelled out in the Architectural Guidelines and to embrace the standards established by these three documents as they are intended to help the Association and its homeowners maintain a secure and harmonious environment within the Community.

Capitalized terms used in this document shall have the same meaning as the definitions in the Declaration, as amended, and should there be any conflicts between these Regulations and the Declaration, the Declaration shall control.

SCOPE OF AUTHORITY GRANTED

The scope of the authority granted to the Developer and later to the Association, is set out in the Declaration, which encumbers every Lot, road right-of-way and all Common Areas (if any), as well as in the Association's By-laws. In addition to creating certain specific Restrictions and Regulations, the Declaration authorizes the Developer (and later the Association) to create additional Regulations for the Lots, road right-of-ways and Common Areas. The Developer (and later the Association) is also authorized by the Declaration to amend those Regulations contained in this document and the Architectural Review Guidelines as well as any other Regulations that the Developer or the Association might create and add to these documents from time to time.

To assure compliance with the Declaration and this document, the Declaration and this document make available to the Developer and the Association, remedies to

enforce the Declaration and any restrictions or Regulations set out in the Declaration or in this document. Additionally, the Declaration defines the Developer's and the Association's authority to waive or grant variances to specific Regulations.

VARIANCES

The Developer or the Association, When Empowered, shall have the right to, as determined in its sole discretion, waive or grant temporary or permanent variances to any Regulation set out in this document that are not violations of the Declaration. All variances shall be in writing and shall be specific as to the time period for which it is in effect and the action that is to be allowed. **Nothing herein shall be deemed to allow the Board of Directors to grant variances to any law or ordinance or to the ruling or decision of any governmental body having jurisdiction.**

DEVELOPER'S RIGHT TO OVERRIDE

Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer may, in its sole discretion: amend the Regulations of the Association; waive the violation of any Regulation issued by the Association; grant variances to the Regulations of the Association; veto any modification to the Regulations proposed or implemented by the Association; override any attempt by the Association to enforce or implement the Regulations; and require the Association to enforce and implement any provision of the Regulations.

VIOLATIONS: NOTICE, APPEAL AND REMEDIES

NOTICE OF A VIOLATION

Notice of violation of the Declaration and the By-Laws of the Association or of the Regulations of the Association shall be posted on a Lot or written notification from the Developer or the Association shall be sent to the Lot Owner at the address shown in the records of the Association. Notices shall site: the nature of the violation, the corrective actions required, the date of the notice and the deadline for compliance or the time in which the corrective action must be completed and an address for written response from the Lot Owner in violation, if any.

APPEAL/RESPONSE TO NOTICE OF A VIOLATION

Except in the case of an emergency, which shall be denoted on any notice of a violation, or as otherwise provided in these Regulations, the By-laws, or the Declaration, Lot Owners shall have a period of seven (7) days from the date of notice indicated upon the notice of a violation (or such other period as stated in the notice) in which to contest the initial finding of the Developer or the Association with respect to a violation, any corrective actions that it may require, or the time frame allowed by the Developer or the Association for completion of the

corrective action. Any request for appeal submitted by an Owner shall be in writing and shall be delivered to the location noted on the notice for response prior to 5:00 PM on the seventh (7th) day or the date stated in the notice of violation.

Upon the appeal of an initial decision of the Developer or the Association by a Lot Owner, the Developer or the Association, When Empowered, shall determine what action by the Lot Owner, if any, is appropriate and warranted and shall notify the lot Owner of its decision providing a timeframe for compliance, if any is required. The decision of the Developer or the Association, When Empowered, shall then be final and may no longer be appealed. Neither the Developer nor the Association, When Empowered, is mandated by an appeal to allow additional time for compliance by a Lot Owner, but may do so at its sole discretion.

If the Lot Owner does not submit a written request for appeal of a decision of the Developer or of the Association, When Empowered, within the seven (7) days (or such other period set out in the notice) or does not correct the violation within the time specified in the notice, and if the Developer or the Association, When Empowered, determines that Assessments for Non-compliance and/or corrective action are warranted, the Developer or the Association, When Empowered, may take corrective action at the Lot Owner's expense and the Association may levy all appropriate Assessments.

REMEDIES FOR NON-COMPLIANCE

In accordance with the Declaration, the Developer or the Association may levy an Assessment for Non-compliance against the Lot of any Lot Owner who fails to comply with a notice of violation from the Developer or the Association. Though some of the other remedies of the Developer and the Association, When Empowered, are more specifically defined in the Declaration and in the By-laws of the Association, upon notice to any Lot Owner, the Developer or the Association, When Empowered, shall have the right to require that any violation of the Declaration, By-laws, the Architectural Guidelines and these Regulations be corrected within a reasonable time frame provided in that notice and, unless otherwise provided in these documents, to take appropriate action to remedy the violation, including but not limited to any action at law. The cost of that correction, together with the cost of any action such as the cost of any supervision and/or management of these activities taken by the Developer or the Association to insure that this compliance is achieved; any Assessments for Non-Compliance levied by the Association and any collection cost or attorney fees, may then be added by the Association to the Association's continuing lien on that Lot and shall become the personal obligation of the Owner or Co-owner(s) of the Lot.

GENERAL REGULATIONS

PROPERTY MAINTENANCE AND USE PROPERTY

Unless otherwise designated in a Supplemental Declaration filed by the Developer for additional phases of the Community, all Lots shall be used for single-family residential purposes only, and no commercial enterprise, business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Developer or the Association, When Empowered. The term "business" 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 thereof. **The Association shall at all times have the authority to determine in its sole discretion whether or not an activity falls within the parameters of a commercial enterprise, business or business activity and whether or not that activity requires approval by the Association in order to be conducted. It is therefore prudent for a Lot owner to consult the Association prior to commencing any activity that might conceivably be considered by the Association as a commercial enterprise, business or business activity and if approval is required, to obtain that approval in writing.**

Nothing herein shall prevent the Developer or any builder of homes in the Community approved by Developer from using any Lot owned by Developer or such builder of homes for the purpose of carrying on business related to the development, improvement and sale of property in the Community, including the establishment of one or more model homes; or, to the extent allowed by applicable zoning laws, a private office to be maintained in a dwelling located on any of the Lots, subject to any and all conditions established by the approval granted by the Developer or the Association, When Empowered.

Notwithstanding the above, the leasing of a home on a Lot shall not be considered a trade or business within the meaning of this section. Home leases must be for a one (1) year and subleasing of rooms is prohibited. Whether or not it is specifically stated in a lease agreement, the Declaration makes all leases subject to the Declaration, By-Laws, the Regulations and the Architectural Guidelines. In addition, the Declaration requires all tenants and their guests to comply with these documents and makes the Lot Owner responsible for providing the tenant with notice of this fact and the requirements under these documents and for the actions of the tenant and of their guests.

No garage sale, moving sale, rummage sale or similar activity and no trade or business may be conducted in or from any Lot without the approval of the Association, except that an Owner or occupant residing in a Lot may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Structures on the Lot; (b) the business activity conforms to all zoning requirements for the Properties and all other applicable laws and regulations; (c) the business activity does not involve persons coming onto the Lot or into the Properties who do not reside on that Lot or in the Properties or door-to-door solicitation of residents of the Properties in any way; and (d) the business activity is consistent with the residential character of the Properties and does not constitute any sort of a nuisance, or create a hazard or offensive use of any type or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Developer or the Association, When Empowered. No signage, advertising or identifying a commercial enterprise, business, or a business activity (including garage sales) may be displayed on a Lot, from a Structure located on a Lot where it is in any way visible outside of that Structure, within any location abutting a private or public road right-of-way within the Properties or within a public road right-of-way abutting the Properties without the approval of the Developer or the Association, When Empowered.

LOT OWNER'S RESPONSIBILITY

The Declaration requires that each owner comply with the Regulations. It is the responsibility of each lot/home owner to obtain a copy of these documents, to familiarize themselves with these documents and to require that their family members, guests, invitees,

licensees and permittees do so as well. Failure on the part of an owner to acquire or to be provided with a copy of the Declaration, the Architectural Review Guidelines or the Regulations or to review these documents upon receipt does not in any way minimize the rights of the Developer or the Association, When Empowered, to enforce the terms of these documents or relieve an owner of the obligation of that owner, its family, its guests, its invitees, its licensees or permittees of their obligation to comply with these documents or the regulations set out in them.

MAINTENANCE ROAD RIGHT-OF-WAY

As further defined in the Declaration, unless designated as a Common Area or unless the responsibility for maintenance of this area is assumed by the Association as part of the Area of Common Responsibility, each homeowner shall be responsible for the installation (if landscaping acceptable to the Association does not already exist) and continued maintenance of landscaping in any portion of the road right-of-way that exists between the back of the curb (or the actual pavement, where no curbing exists) and their property line. As with all Structures (including walkways and sidewalks) located upon a Lot, including landscaping, the installation of all Structures located within these areas shall be subject to the approval of the Association and the quality of maintenance within these areas shall be subject to the standards established by the Association. All remedies available to the Association for the failure of a Lot Owner to obtain approval for the installation of a Structure or for failure of a Lot Owner to properly maintain a Structure in these areas in accordance with the standards established by the Association, including landscaping, shall be the same as those remedies available to the Association for Lot Owners who fail to properly obtain approval, install and maintain Structures on their Lots.

WINDOW TREATMENTS:

Window treatments and blinds that are viewable from the exterior of a home are to be items designed by the manufacture to be used for that purpose and must be kept in good repair at all times. Using bed sheets, blankets, comforters, linings, towels, flags, banners and similar items as window treatments and window coverings are specifically prohibited

Fines for non-compliance of window treatments and blinds are as follows:

- 1st offense or notice** – courtesy notice of non-compliance is sent out to owner with time frame of allowed correction period.
- 2nd offense or notice** – a follow-up letter addressing the issue of non-compliance with notation of 1st offense letter date and a **\$50.00** fine (or such amount as may be determined by the Board of Directors).
- 3rd offense or notice** - **\$100.00** fine (or such amount as may be determined by the

Board of Directors) and notice of failure to comply with rules/regulations set forth by the Association will constitute immediate grounds for the HOA to take the appropriate action to remedy the violation, including but not limited to any action at law. The cost of that correction, together with the cost of any action such as the cost of any supervision and/or management of these activities taken by the Association to insure that this compliance is achieved; any Assessments for Non-Compliance levied by the Association and any collection cost or attorney fees, may then be added by the Association to the Association's continuing lien on that Lot and shall become the personal obligation of the Owner or Co-owner(s) of the Lot in violation of Non-Compliance.

UNSIGHTLY OR UNKEMPT CONDITIONS:

It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt conditions on their Lot, including the failure to properly install or maintain landscaping. The pursuit of hobbies or other activities, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties. No Lot or Structure on a Lot within the Properties shall be used, in whole or in part, for the storage of any property or thing that will in the sole opinion of the Developer or the Association, cause such Lot or Structure to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of Community or the surrounding property. As set out in the Declaration, all Lot Owners are responsible for the maintenance of landscaping and the removal of debris from their Lot. In addition, whether addressed in the Declaration or not, all Lot Owners shall be responsible for the maintenance of landscaping in and for the removal of debris from within the road right-of way abutting their lot.

All exterior porches, patios and other Structures of this type as well as other locations on the lot that can be viewed from another Lot or the street are to be kept free and clear of unnecessary debris and clutter. Only outdoor furniture of a type and in a quantity appropriate for use on a Structure of this type shall be used on a permanent basis on these Structures or on the Lot. The authority to determine what type and quantity of furniture is appropriate and what constitutes excessive debris or clutter shall be that of the Developer and of the Association, When Empowered. No appliances shall, at any time, be stored on an exterior porch, patio or other like structure.

Fines for non-compliance of unsightly or unkempt conditions are as follows, but not limited to the enforcement of the Community Declarations:

1st offense or notice – courtesy notice of non-compliance is sent out to owner with time frame of allowed correction period.

2nd offense or notice – a follow-up letter addressing the issue of non-compliance with notation of 1st offense letter date and a **\$100.00** fine (or such amount as may be determined by the Board of Directors).

3rd offense or notice - \$200.00 fine (or such amount as may be determined by the Board of Directors) and notice of failure to comply with rules/regulations set forth by the Association will constitute immediate grounds for the HOA to take the appropriate action to remedy the violation, including but not limited to any action at law. The cost of that correction, together with the cost of any action such as the cost of any supervision and/or management of these activities taken by the Association to insure that this compliance is achieved; any Assessments for Non-Compliance levied by the Association and any collection cost or attorney fees, may then be added by the Association to the Association's continuing lien on that Lot and shall become the personal obligation of the Owner or Co-owner(s) of the Lot in violation of Non-Compliance.

GARBAGE AND REFUSE DISPOSAL, GARBAGE CONTAINERS:

No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers designed for that purpose and which are approved by the Developer or the Association, When Empowered, and screened from public view in a manner acceptable to the Developer or the Association, When Empowered. All equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition. No burning of any trash (except as approved by the Developer or the Association, When empowered) and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted on any Lot, street or upon any Common Area and all of these areas shall be kept clean at all times. If such litter or other materials is found on any Lot, the same will be removed by the Owner of such Lot, at the Owner's expense, upon written request of the Developer or the Association, When Empowered. Should the Owner fail to remove the refuse within the period set out in the written notice, the Developer or the Association, When Empowered, shall have the right to see that the refuse is removed by an appropriate party and to have the Association assess the Owner of that Lot for all of the costs associated with that removal, together with any collection costs, which shall become a part of the Association's continuing lien on the lot.

The size, type and storage location of all garbage containers shall be approved by the Developer or the Association, When Empowered. Except on the day of pickup by the garbage collector, all containers shall be located in a garage or in rear yards or side yards, screened or walled from front streets and adjoining properties in a manner approved by the Developer or the Association, When Empowered. Containers shall be returned to a location that is screened or walled from front streets and adjoining properties as soon as reasonably possible following pickup.

There shall be no dumping of grass clippings, leaves or other debris; rubbish, trash or garbage; petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, storm or other drainage system pipes, catch basins, yard drains, stream, pond, lake or on any Lot, street or Common Area within the Properties, except that fertilizers may be applied to landscaping on Lots and in Common Areas, provided care is taken to minimize run-off. For a limited period of time acceptable to the Developer or the Association, When Empowered, and subject to additional conditions set by the Association or by a governmental entity or municipality responsible for its removal, where removal of such material is regularly provided by that entity or a provider contracted by that governmental entity for its removal, trash and debris acceptable to the Developer or the Association, When Empowered may be placed on the roadside for normal pick up. Upon notice from the Developer or the Association, When Empowered, that the type, quantity, location, condition of the trash or debris is unacceptable or that the time frame that the trash or Debris has or will remain in view is unacceptable, an owner shall remove such trash and debris from view of the street and other Lot Owners or from the Lot if directed to do so by the Developer or the Association, When Empowered.

Each Owner or Builder shall maintain its Lot in a neat and orderly condition throughout initial construction of a residential dwelling and not allow trash and debris from its activities to be carried by the wind or otherwise scattered within the Properties. Each Owner shall keep roadways, easements, swales, and other portions of the Properties clear of silt, construction materials and trash from its activities at all times. Trash and debris during initial construction of a residential dwelling shall be contained in a standard size dumpster or other appropriate receptacles and removed regularly from Lot and shall not be burned (except in a manner approved by the Developer or the Association, When Empowered), buried or covered on the Lot. Any Lot on which construction is in progress may be policed prior to each weekend, and during the weekend, all materials shall be neatly stacked or placed and any trash or waste materials shall be removed.

Fines for non-compliance of garbage and refuse disposal and storage of garbage containers are as follows:

1st offense or notice – courtesy notice of non-compliance is sent out to owner with time frame of allowed correction period.

2nd offense or notice – a follow-up letter addressing the issue of non-compliance with notation of 1st offense letter date and a **\$25.00** fine (or such amount as may be determined by the Board of Directors).

3rd offense or notice - **\$50.00** fine (or such amount as may be determined by the Board of Directors) and notice of failure to comply with rules/regulations set forth by the Association will constitute immediate grounds for the HOA to take the appropriate action to remedy the violation, including but not limited to any action at law. The cost of that correction, together with the cost of any action such as the cost of any supervision and/or management of these activities taken by the Association to insure that this compliance is achieved; any Assessments for Non-Compliance levied by the Association and any collection cost or attorney fees, may then be added by the Association to the Association's continuing lien on that

Lot and shall become the personal obligation of the Owner or Co-owner(s) of the Lot in violation of Non-Compliance.

COMBUSTIBLE LIQUID:

There shall be no storage of gasoline, propane, heating or other fuels, except for a reasonable amount of fuel that may be stored in containers appropriate for such purpose on each Lot for emergency operation of household heating and cooking appliances, for gas fireplaces and for the operation of lawn mowers and similar tools or equipment. Larger quantities (over 5 U.S. Gallons) must be approved by the Developer or the Association, When Empowered.

BEHAVIOR

OFFENSIVE ACTIVITIES:

No immoral, improper, noxious, offensive or illegal activities (including, but not limited to vulgar, abusive or otherwise inappropriate language or gestures and indecent exposure, the inappropriateness of all of which shall be the determination of the Developer or the Association, When Empowered) shall be carried on upon any Lot, Common Area or any other portion of the Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any of the Owners or Co-owners of other Lots in the Community or any person using any lot or common area within the Properties, as determined by the Developer or the Association, When Empowered, in its sole discretion. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes or as approved by the Developer or Board of Directors, When Empowered, shall be located, installed or maintained upon the exterior of any home site unless required by law. Any siren or device for security purposes shall contain a device or system which causes it to shut off automatically. All valid laws, ordinances and regulations of all governmental agencies having jurisdiction shall be observed.

Fines for non-compliance of Offensive Activities are as follows:

1st offense or notice – courtesy notice of non-compliance is sent out to owner with time frame of allowed correction period.

2nd offense or notice – a follow-up letter addressing the issue of non-compliance with notation of 1st offense letter date and a **\$150.00** fine (or such amount as may be determined by the Board of Directors).

3rd offense or notice - **\$300.00** fine (or such amount as may be determined by the Board of Directors) and notice of failure to comply with rules/regulations set forth by the Association will constitute immediate grounds for the HOA to take the appropriate action to remedy the violation, including but not limited to any action at law. The cost of that correction, together with the cost of any action such as the cost of any supervision and/or management of these activities taken by the Association to insure that this compliance is achieved; any Assessments for Non-Compliance levied by the Association and any collection cost or attorney fees, may then be added by the Association to the Association's continuing lien on that Lot and shall become the personal obligation of the Owner or Co-owner(s) of the Lot in violation of Non-Compliance.

QUIET ENJOYMENT

The development, construction and sales activities conducted or permitted by the Declarant shall not be considered a nuisance or a disturbance of the quiet enjoyment of any Owner or occupant.

TV's, radios, stereos shall be played at reasonable levels at all times and the same shall not be played so as to be heard outside of the home in which being played between 11:00 P.M. and 7:00 A.M.

Fines for non-compliance of Quiet Enjoyment are as follows:

1st offense or notice – courtesy notice of non-compliance is sent out to owner with time frame of allowed correction period.

2nd offense or notice – a follow-up letter addressing the issue of non-compliance with notation of 1st offense letter date and a \$50.00 fine (or such amount as may be determined by the Board of Directors).

3rd offense or notice - \$100.00 fine (or such amount as may be determined by the Board of Directors) and notice of failure to comply with rules/regulations set forth by the Association will constitute immediate grounds for the HOA to take the appropriate action to remedy the violation, including but not limited to any action at law. The cost of that correction, together with the cost of any action such as the cost of any supervision and/or management of these activities taken by the Association to insure that this compliance is achieved; any Assessments for Non-Compliance levied by the Association and any collection cost or attorney fees, may then be added by the Association to the Association's continuing lien on that Lot and shall become the personal obligation of the Owner or Co-owner(s) of the Lot in violation of Non-Compliance.

GUNS, WEAPONS AND NOISEMAKERS:

The discharge of firearms on the Properties is prohibited. The term "firearms" includes without limitation devices that make excessive noise or that eject a projectile a distance of more than 15 feet, "B-B" guns, pellet guns, slingshots, firecrackers, and firearms of all types (regardless of size) or any comparable weapons or noisemakers. The Board of Directors may impose fines and exercise other enforcement remedies as set forth in this Declaration. Notwithstanding anything to the contrary contained herein, in the Declaration or in the By-Laws, the Association shall not be obligated to take action to enforce this Regulation.

VEHICLES AND PARKING

INOPERATIVE AND UNLICENSED VEHICLES, AUTOMOTIVE REPAIRS:

No inoperative or unlicensed vehicles may be parked on a lot except in a garage. No auto maintenance or repairs of a commercial nature (Maintenance or repairs other than on your own vehicle or

maintenance or repairs on any vehicle, including your own vehicle, which is of a nature other than minor maintenance or repairs. Minor maintenance and repairs shall be oil changes, belt replacement or general cleaning that do not make the vehicle inoperative for more than two (2) hours or that may in no way create excessive noise or draw undue attention to the activity) shall be allowed on a lot. No vehicles, of any type, without mufflers shall be allowed on premises.

COMMERCIAL AND RECREATIONAL VEHICLES:

No commercial vehicles, motorcycles, mobile homes, tractors, buses, recreational vehicles (other than those specifically mentioned herein), farm equipment, all-terrain vehicles, go-carts, mini bikes, motorcycles (except licensed street bikes as determined by the Developer or the Association, When Empowered), scooters, golf carts, other towed vehicles, vehicles on blocks, unlicensed vehicles or similar vehicles (collectively vehicles) may be placed or parked on any street within the Community or on any paved or non-paved area of a Lot or adjacent Lot, unless such vehicle is parked inside a totally enclosed Structure or screened area specifically approved for that purpose by the Board of Directors. Boats or boat trailers, "jet skis", personal water craft or other watercraft, utility trailers, campers and motorhomes maybe parked behind the rear corners of the Dwelling when enclosed within an approved privacy fence. Service and delivery vehicles may be parked in the Properties during daylight hours for such periods of time as are reasonably necessary to provide service or to make a delivery within the Properties. This provision shall not apply to the Declarant or to any Builder in the process of constructing approved improvements.

The Declarant and/or the Association may designate certain parking areas within the Properties for recreational vehicles subject to reasonable rules and fees, if any.

Fines for non-compliance of Commercial and Recreational Vehicles are as follows:

1st offense or notice – courtesy notice of non-compliance is sent out to owner with time frame of allowed correction period.

2nd offense or notice – a follow-up letter addressing the issue of non-compliance with notation of 1st offense letter date and a **\$100.00** fine (or such amount as may be determined by the Board of Directors).

3rd offense or notice - **\$200.00** fine (or such amount as may be determined by the Board of Directors) and notice of failure to comply with rules/regulations set forth by the Association will constitute immediate grounds for the HOA to take the appropriate action to remedy the violation, including but not limited to any action at law. The cost of that correction, together with the cost of any action such as the cost of any supervision and/or management of these activities taken by the Association to insure that this compliance is achieved; any Assessments for Non-Compliance levied by the Association and any collection cost or attorney fees, may then be added by the Association to the Association's continuing lien on that Lot and shall become the personal obligation of the Owner or Co-owner(s) of the Lot in violation of Non-Compliance.

PASSENGER VEHICLES:

Subject to the conditions set out in the Regulations, no passenger vehicle may be parked on any portion of a Lot, specifically landscaped areas, walkways or sidewalks, other than paved areas designed for that purpose. All passenger vehicles shall be parked in garages or on driveways. Parking on the street of any passenger vehicle is strictly prohibited when there is available space in the driveway or garage (use

of the garage as a general storage area does not eliminate it from being an "available" parking location).

Where all available driveway and garage spaces are utilized by other vehicles, parking on the street of a passenger vehicle owned or leased by a resident of the Dwelling shall not be allowed. Parking on the street of a passenger vehicle of the temporary guest of a lot owner shall only be allowed if it is temporary in nature (less than six (6) hours in a twenty four (24) hour period and no more than twice in a seven (7) day period) and in a manner or location that is neither a nuisance to any other lot owners, unsafe or hazardous to traffic or to persons within the Community.

An example of parking that would constitute a nuisance to other lot owners would include, but not be limited to, blocking or impeding the use of a driveway by another homeowner. Examples of parking in a manner that is unsafe or hazardous shall include, but not be limited to, parking in a manner or location that: interferes with appropriate site-distance for the roadway, is on a hill where visibility is limited, is on a curve where visibility is limited, is near an entrance or intersection or is near a common areas where children might be playing or where other persons might collect on a frequent basis.

No curbside parking areas may be created by expanding any portion of the street pavement without the approval of the Architectural Control Authority. In all cases the Board of Directors of the Association shall, at its sole discretion, determine what constitutes the proper number and type or condition of vehicles that are appropriate for a lot, a commercial or passenger vehicle, commercial maintenance and repairs, a nuisance to other lot owners, improper parking and unsafe or hazardous parking. **The Association may tow or otherwise remove any vehicle or passenger vehicle parked in violation of this Regulation after notice to the Lot Owner of the violation, immediately in cases of a hazard or an emergency or upon the continued violation by that Lot Owner or the Lot Owner's guest, after the initial notice is provided to that Lot Owner.**

ANIMALS AND PETS:

As further stated in the Declaration, no animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, with the exception of dogs, cats, or other usual and common household pets in reasonable number. The number and type of acceptable household pets may be determined by the Board of Directors of the Association from time to time. No animals shall be kept, bred or maintained for commercial purposes and all animals must be properly cared for and kept free of contagious diseases.

All pets shall be reasonably controlled by the owner whenever outside a home and shall be kept in a manner that prevents excessive barking or other acts that would, in the opinion of the Association, constitute a nuisance to other owners in the Community. The owners of the pet shall be responsible for all of the pet's actions. If, in the sole opinion of the Board of Directors, any animal becomes destructive of wildlife, dangerous or an annoyance or nuisance to the Owners of Lots within the Properties or of a nearby property, such animal shall be removed from the Properties upon notice from the Developer or the Association, When Empowered.

No pet shall be allowed by its owner to roam free (without being contained within a fenced area on the lot or, when not within a fenced area, confined by a leash) or to deposit its feces on the lot of another owner or on a common area. Those pets which are permitted to roam free, or, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion

of the Properties shall be removed by the Owner, upon notice from the Developer or the Association, When Empowered. Any pet may be removed by the Association, if that Owner fails to remove the pet after proper notice from the Association. Should a pet deposit its feces on the lot of another Owner or upon a common area, it shall be the responsibility of the pet's owner or the Owner of the Lot where the pet is kept to immediately remove the feces.

PLAYGROUNDS AND PLAYGROUND EQUIPMENT

EQUIPMENT IN COMMON AREAS:

Any playground or other play areas or equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

BASKETBALL GOALS AND PLAYGROUND EQUIPMENT:

Temporary basketball goals are to be stored out of view from the roadways and all other lots at all times that they are not in use. When in use, the location or use of a temporary basketball goal shall not in any way constitute a nuisance to other residents, inconvenience other residents or create a traffic hazard to other residents or to the general public.

Fines for non-compliance of the storage of temporary basketball goals are as follows:

1st offense or notice – courtesy notice of non-compliance is sent out to owner with time frame of allowed correction period.

2nd offense or notice – a follow-up letter addressing the issue of non-compliance with notation of 1st offense letter date and a **\$50.00** fine (or such amount as may be determined by the Board of Directors).

3rd offense or notice - **\$100.00** fine (or such amount as may be determined by the Board of Directors) and notice of failure to comply with rules/regulations set forth by the Association will constitute immediate grounds for the HOA to take the appropriate action to remedy the violation, including but not limited to any action at law. The cost of that correction, together with the cost of any action such as the cost of any supervision and/or management of these activities taken by the Association to insure that this compliance is achieved; any Assessments for Non-Compliance levied by the Association and any collection cost or attorney fees, may then be added by the Association to the Association's continuing lien on that Lot and shall become the personal obligation of the Owner or Co-owner(s) of the Lot in violation of Non-Compliance.

Architectural Guidelines

Fence Guidelines

All fences shall be constructed in the "stockade" style, no more than six (6) feet in height with six (6) inch dog eared pickets. NO CHAIN LINK FENCES ARE ALLOWED. Construction of all fencing, the placement thereof and colors of fencing must be approved by the Developer or Architectural Control Authority and application for same must be made on ARC form approved by the HOA management company. No fence, wall, or similar structure shall be constructed or maintained on any lot nearer the street boundary line of the Lot than the rear one third (1/3) of the Structure as extended to the side Lot lines, unless approved otherwise by the Developer or the Architectural Control Authority. All fences must be installed by a professional installer. All fences must be stained within six (6) months of installation with any of the approved Behr transparent stains listed here:

- 1.) Unfinished Wood
- 2.) Natural 500/400
- 3.) Cedar Natural tone 501/401

Fences must be maintained and suitable in appearance at all times at the discretion of the Developer or Architectural Control Authority. It is the responsibility of each property owner to verify all property lines, all lot pins, all drainage and utility easements prior to any construction or any installation of all approved fencing. The location of all utilities must be performed prior to any such activities. Property owners shall contact "Call Before You Dig" at 811 (at no charge to the property owner). It is the responsibility of the property owner to install all approved fencing inside their respective property lines to insure adequate distance for future maintenance of said fencing.

Storage Building/Sheds and Detached Garage Guidelines

All storage buildings/sheds, detached garages and the placement thereof must be approved by the developer or Architectural Control Authority as stated in the Declaration. The construction of all storage buildings/sheds and detached garages, the placement thereof and all of the materials including paint color, must be approved by the Developer or Architectural Control Authority and application for same must be made on ARC form approved by the HOA management company.

Storage building Construction:

Storage buildings/sheds and detached garages must be constructed in accordance with professional standards and must be maintained and suitable in appearance at all times at the discretion of the Developer or Architectural Control Authority.

- Storage building /sheds must be no larger 400 square ft. in size built to shelter goods.

- Detached garages maybe larger than 400 square ft. at the discretion of the Developer or Architectural Control Authority.
- The exterior of the Storage buildings/sheds and detached garages must be constructed with the same materials and color as the dwelling located on the lot.
- The roof pitch of the storage building/shed will be a minimum of 5/12.
- The roof pitch of detached garages will be a minimum of 8/12
- All Storage buildings/sheds and detached garages must be completely enclosed from view of the street.
- The roof materials for all storage buildings/sheds and detached garages much match the dwelling located on the lot. No metal Buildings, metal siding and no metal roofs

Storage Building/Shed and Detached Garage Placement:

Subject to the ultimate control of the Foster Place Phase 2 Architectural Control Authority all storage buildings/sheds will be located in a place on the lot that renders the storage building in the most inconspicuous location possible from the street view. In most instances, this location will be at the rear property line. However, in special and unique circumstances, such as the shape or grade of the lot, the location of the residential home on the lot, corner lots, lots at the end of the cul-de-sac and so on, the Foster Place Phase 2 Architectural Control authority will retain the discretion granted to it by the Declaration to approve or deny the final location of the Storage building/shed.

- All storage buildings/sheds must be placed at the rear of the property.
- Subject to the ultimate discretion of the Developer or Architectural Control Authority Detached garages may be located on the lot so as to be accessible form the driveway.
- There can be only the Dwelling and one additional building per lot.

It is the responsibility of each property owner to verify all property lines, all lot pins, all setback lines, all drainage and utility easements prior to any construction or any installation of all approved fencing. The location of all utilities must be performed prior to any such activities. Property owners shall contact "Call Before You Dig" at 811 (at no charge to the property owner).

Fines for non-compliance of the Architectural Guidelines are as follows:

1st offense or notice – courtesy notice of non-compliance is sent out to owner with time frame of allowed correction period.

2nd offense or notice – a follow-up letter addressing the issue of non-compliance with notation of 1st offense letter date and a **\$25.00** per day fine continuing until the violation is corrected (or such amount as may be determined by the Board of Directors).