

Declarant is the owner of a Lot, Declarant also enjoys the same rights and assumes the same obligations as they relate to each Lot owned by Declarant.

Article II

DEFINITIONS

The following terms, as used in this Declaration, are defined as follows:

2.1. "Annual Assessment" means the Assessment levied pursuant to Section 7.3.

2.2. "Articles" or "Articles of Incorporation" means the articles of incorporation for the Association, which have been filed with the South Carolina Secretary of State to create The Townhomes of Chukker Creek Neighborhood Association, Inc., as such articles may be amended or restated from time to time,

2.3. "Assessments" means the Annual, Special and Default Assessments levied pursuant to Article VII below.

2.4. "Association" means The Townhomes of Chukker Creek Neighborhood Association, Inc., a South Carolina nonprofit corporation, and any successor of that entity by whatever name, charged with the duties and obligations of administering the Project.

2.5. "Board of Directors" or "Board" means the Board of Directors of the Association, which is the executive board designated in this Declaration to act on behalf of the Association.

2.6. "Buildings" mean the buildings (including all fixtures and improvements contained within them) located on the Property,

2.7. "Bylaws" means the Bylaws of the Association, which establish the methods and procedures of its operation, as such bylaws may be amended or restated from time to time.

2.8. "Common Elements" means all of the Project, except the Lots, but including, without limiting the generality of the foregoing, the following components:

2.8.1. The sidewalks, walkways, paths, grass, driveways, roadways, parking areas and related facilities upon the Property; and

2.8.2. In general, all other parts of the Project designated by the Declarant as Common Elements and existing for the use of one or more of the Owners.

The Common Elements shall be owned by the Association, and each Owner of a Lot shall have a nonexclusive easement for the use of the Common Elements as provided below.

2.9. "Common Expenses" means and includes the following: (i) expenses of administration, insurance, operation and management, repair, or replacement of the Common Elements, except to the extent such repairs and replacements are the responsibilities of an Owner as delineated in Section 8.1 below; (ii) expenses declared Common Expenses by the provisions of this Declaration or the By laws of the Association; (iii) sums lawfully assessed against the Lots by the Board of Directors; (iv) expenses agreed upon as Common Expenses by the Members of the Association; and (v) expenses provided to be paid pursuant to any Management Agreement.

2.10. "Map" means and includes any engineering survey or surveys of the Property locating the Lots and Buildings on the Property, as recorded by the Declarant with the Registrar of Mesne Conveyances of Aiken County, South Carolina, including surveys which may hereafter be recorded by the Declarant setting forth the metes, bounds and dimensions of the Individual Lots.

2.11. "Declarant" means J & M Property LLC, or its successors or assigns, including any Successor Declarant to the extent the rights of Declarant are assigned to the Successor Declarant as provided in this Declaration below.

2.12. "Default Assessment" means any Assessment levied by the Association pursuant to Section 7.6 below.

2.13. "Default Rate" means an annual rate of interest that is the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum rate permitted by applicable law.

2.14. "Development Rights" is defined in Section 13.1.2.

2.15. "Director" means a member of the Board.

2.16. "General Common Elements" means the Common Elements, except for Limited Common Elements.

2.17. "Individual Lot" or "Lot" means any parcel of land designated for separate ownership and occupancy depicted on the Map. Unless the context indicates otherwise, the term Individual Lot or Lot includes all improvements on the Lot.

2.18. "Limited Common Elements" means those parts of the Common Elements which are limited to and reserved for the use of the Owners of one or more, but fewer than all, of the Lots. Without limiting the foregoing, the Limited Common Elements shall include any entryway or driveway adjacent to an Individual Lot and all such items designated as Limited Common Elements on the Map. Any entryway, sidewalk or driveway which is accessible from, associated with and which adjoins a particular Individual Lot, without further reference thereto, shall be used in connection with such Individual Lot to the exclusion of the use thereof by the other Owners, except by invitation. The Limited Common Elements shall include a concrete trash can pad which shall be accessible to

each owner to place a trash can. The Declarant will designate the location of each trash can pad, and which owners will use which trash can pad.

2.19. "Management Agreement" means any contract or arrangement entered into for purposes of discharging the responsibilities of the Board of Directors relative to the operation, maintenance and management of the Project.

2.20. "Manager" means any such person or entity engaged by the Board to perform certain duties, powers or functions of the Board pursuant to this Declaration or the Bylaws.

2.21. "Member" means any person holding a membership interest in the Association.

2.22. "Mortgage" means any mortgage, deed of trust or other document which is recorded in the office of the Registrar of Mesne Conveyances of Aiken County, South Carolina and which encumbers any portion of the Property or interest therein as security for payment of a debt or obligation.

2.23. "Mortgagee" means any person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under such Mortgage,

2.24. "Owner" means the owner of record (including Declarant), whether one or more persons, of fee simple title to any Lot, but does not mean or refer to any person who holds such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such person has acquired fee simple title pursuant to the foreclosure or other proceedings.

2.25. "Period of Declarant Control" means the period during which Declarant (or any Successor Declarant) may appoint and remove the Directors and officers of the Association as permitted herein. The Period of Declarant Control will begin on the date this Declaration is filed of record with the office of the Registrar of Mesne Conveyances of Aiken County, South Carolina and shall terminate on the later of the following: (i) 60 days after conveyance of 100% of the Lots to Owners other than Declarant (or any Successor Declarant); or (ii) the date on which Declarant (or any Successor Declarant) voluntarily terminates the Period of Declarant Control by recording a notice to that effect in the office of the Registrar of Mesne Conveyances of Aiken County, South Carolina, whichever of the foregoing dates or events occurs first. After the termination of the Period of Declarant Control, Declarant, if still an Owner, will have all rights and duties ordinarily given to Members under this Declaration.

2.26. "Person" means a natural person, a corporation, a partnership, a limited liability company, an association, a trust, or any other entity or combination thereof.

2.27. "Project" means the planned residential development established by this Declaration known as "The Townhomes of Chukker Creek".

2.28. "Project Documents" means the basic documents creating and governing the Project, including, but not limited to, this Declaration, the Articles, the Bylaws, and any procedures, rules, regulations or policies adopted under such documents by the Association or the Board of Directors and its authorized committees, and the Map.

2.29. "Property" means the real property described on Exhibit A and subjected to this Declaration. Declarant can add real property and make it subject to this Declaration at any time in Declarant's sole discretion, by recording an instrument in the office of the Registrar of Mesne Conveyances of Aiken County, South Carolina.

2.30. "Special Assessment" means an Assessment levied pursuant to Section 7.5 below on an irregular basis.

2.31. "Special Declarant Rights" are defined as set forth in Section 13.1 below.

2.32. "Special Declarant Rights Period" means the period beginning on the date this Declaration is first recorded in the office of the Registrar of Mesne Conveyances of Aiken County, South Carolina and ending the date on which Declarant shall have conveyed to parties (other than a Successor Declarant) all Lots originally owned by Declarant in the Project.

2.33. "Successor Declarant" means any party or entity to whom Declarant assigns all of its rights, obligations, or interest as Declarant, as permitted by Section 24.6 and evidenced by an assignment or deed of record in the office of the Registrar of Mesne Conveyances of Aiken County, South Carolina, designating such party as a Successor Declarant, signed by the transferor and the transferee. Upon such recording, Declarant's rights and obligations under the Declaration shall cease and terminate to the extent provided in such document.

2.34. "Unit" means the portion of any Building located on a Lot intended for use and occupancy.

2.35. "Yard" means the portion of any Individual Lot upon which no portion of a Building, including any adjacent patio, is situated.

Article III

THE PROJECT

3.1. Establishment of the Project. By this Declaration, the Project is established as a planned residential development consisting of no more than one hundred Lots.

3.2. Division Into Lots. Phase I of The Townhomes of Chukker Creek is hereby divided into thirty two (32) Lots, each consisting of a fee simple interest in the land and any improvements located thereon, together with a perpetual non-exclusive easement over

the Common Elements,

3.3. Delineation of Lot Boundaries. The boundaries of each Lot shall be delineated and designated on Maps to be recorded with the Registrar of Mesne Conveyances of Aiken County, South Carolina.

3.4. Inseparability of Lot. No part of a Lot or of the legal rights comprising the ownership of a Lot may be partitioned or separated from any other part thereof during the period of ownership prescribed in this Declaration. Each Lot shall always be conveyed, transferred, devised, bequeathed, encumbered, and otherwise affected only as a complete disposition of a Lot and any part thereof shall be presumed to be a disposition of the entire Lot, together with all appurtenant rights and interests created by law or this Declaration, including the Owner's membership in the Association.

3.5. Nonpartitionability of Common Elements. Subject to the provisions of this Article and Article IV, the Common Elements shall be owned by the Association and shall remain physically undivided, and no Owner shall bring any action for partition or division of the Common Elements.

Notwithstanding the foregoing, the Association shall have the right to dedicate, sell or otherwise transfer all or any part of the Common Elements to any public, governmental, or quasi-governmental agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. However, such dedication or transfer shall not be effective unless an instrument has been signed by Members holding an aggregate interest equal to at least 65% of all votes of the Association.

Notwithstanding the preceding sentence, the granting of easements for public utilities, for access by pedestrians, for other uses related to the Project, or for other public purposes not inconsistent with the intended use of the Common Elements shall not be deemed a transfer requiring such consent of the Members. In addition, dedication of the main roadway servicing the Project to a public, government or quasi-governmental agency for public purposes not inconsistent with the intended use of the Common Elements shall not be deemed a transfer requiring such consent of the Members.

Article IV

OWNERS' PROPERTY RIGHTS IN COMMON ELEMENTS

4.1. General Common Elements. Every Owner and the family members, guests, tenants and licensees of each Owner shall have a perpetual right and easement of access over, across and upon the General Common Elements for both pedestrian and vehicular travel, which right and easement shall be appurtenant to and pass with the transfer of title to such Lot; provided, however, that such right and easement shall be subject to the following:

4.1.1. The covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration;

4.1.2. The right of the Association to adopt, from time to time, any and all rules and regulations concerning vehicular traffic and travel upon, in, under and across the Project; and

4.1.3. The right of the Association to adopt, from time to time, any and all rules and regulations concerning the Common Elements as the Association may determine are necessary or prudent.

4.2. Limited Common Elements. Subject to the provisions of this Declaration, every Owner shall have the exclusive right to use and enjoy the Limited Common Elements appurtenant to such Owner's Lot.

Article V

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

5.1. Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot. No Owner, whether one or more persons, will have more than one membership per Lot owned, but all of the persons owning each Lot shall be entitled to rights of membership and use and enjoyment appurtenant to such ownership.

5.2. Transfer of Membership. An Owner shall not transfer, pledge, or alienate the associated membership in the Association in any way, except upon sale or encumbrance of the Owner's Lot and then only to the purchaser of the Lot.

5.3. Classes of Membership. Initially, the Association shall have one class of voting membership, composed of all Owners. The Bylaws may set forth additional classifications of membership from time to time.

5.4. Voting Rights. Each Member shall be entitled to vote in Association matters pursuant to this Declaration. Each Lot shall be entitled to one vote. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised by one person or alternative persons as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Lot may be cast only in accordance with the agreement of a majority in interest of the owners. There is a majority agreement if any one of the multiple Owners casts the vote allocated to his Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. Any Owner of a Lot that is leased may assign his voting rights to the tenant, provided that a copy of the instrument of assignment is furnished to

the Secretary of the Association prior to any meeting in which the tenant exercises the voting right.

5.5. Appointment of Officers and Directors by Declarant. Until the expiration of the Period of Declarant Control, Declarant will retain exclusive powers to appoint and remove Directors and officers of the Association.

Notwithstanding the foregoing, the Declarant may voluntarily surrender the right to appoint and remove Directors and officers of the Association before the end of the Period of Declarant Control by providing a notice to that effect to the Association and otherwise complying with the procedures for termination of this Special Declarant Right, as set forth in the Bylaws. However, upon voluntarily terminating this Special Declarant Right in advance of the expiration of the Period of Declarant Control, Declarant may require throughout the balance of the Period of Declarant Control (had it not been voluntarily terminated) that specified actions of the Board, as described in an instrument executed and recorded by the Declarant in the office of the Registrar of Mesne Conveyances of Aiken County, South Carolina be approved by Declarant before those actions become effective. After the Period of Declarant Control, the Directors and the officers of the Association will be elected as provided in the Bylaws,

5.6. Notice of Membership. Any Person, on becoming a Member, will furnish the Secretary of the Association with a photocopy or certified copy of the recorded instrument or such other evidence vesting the person with the interest required to make him a Member as may be specified by the Board under the Bylaws or the under Association rules. At the same time, the Member will provide the Association with the single name and address to which the Association will send any notices given pursuant to the Project Documents. In the event of any change in the information contained in the original written notice, including any change of ownership or address, the Member will give a new written notice to the Association containing all of the information required to be covered in the original notice. The Association will keep and preserve the most recent written notice received by the Association with respect to each Member

If the address of the Lot is the registered address of the Owner, then any notice shall be deemed duly given if delivered to any person occupying such Lot or sent to the Lot by other means specified for a particular notice in the Project Documents. All notices and demands intended to be served upon the Board shall be sent to the address of the Association or such other address as the Board may designate from time to time by a notice delivered to all Owners in accordance with this Section.

Unless applicable provisions of this Declaration or applicable law expressly require otherwise, all notices given under this Declaration shall be sent by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one business day following timely deposit with a courier service, or regular, registered, or certified mail, postage prepaid, which shall be effective three days after deposit in the U.S. mail.

Article VI

POWERS AND DUTIES OF THE ASSOCIATION

6.1. Association Management Duties. Subject to the rights and obligations of Declarant and other Owners as set forth in this Declaration, the Association shall be responsible for the administration and operation of the Project and for the exclusive management, control, maintenance, repair, replacement and improvement of the General Common Elements (including facilities, furnishing and equipment related thereto) and the Limited Common Elements, and shall keep the same in good, clean, attractive and sanitary condition, order and repair. **The Association shall also be solely responsible for the maintenance and improvement of the Front and Side Yards, shoulders, Greenspace, and retention ponds.** The Association shall not be responsible for the maintenance of the fenced areas behind each Unit. The expenses, costs and fees of such management, operation, maintenance and repair by the Association shall be part of the Assessments, and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs and fees. The Board will execute for the Association all powers, duties and authority vested in or obligated to be taken by the Association and not reserved to Declarant or the other Members by this Declaration, the other Project Documents, or other applicable law.

6.2. Owner's Negligence. In the event that the need for maintenance, repair, or replacement of all or any portion of the Project which is the obligation of the Association is caused through or by the negligent or willful act or omission of an Owner, or by any member of an Owner's family, or by an Owner's guests, invitees, licensees or tenants, then the expenses incurred by the Association for such maintenance, repair or replacement shall be a perpetual obligation of such Owner. If the Owner fails to repay the expenses incurred by the Association within thirty days after notice to the Owner of the amount owed, then the failure to so repay shall be a default by the Owner under the provisions of this Section and such expenses shall automatically become a Default Assessment enforceable in accordance with Article VII below.

6.3. Rules and Regulations.

6.3.1. Board's Power. From time to time and subject to the provisions of the Project Documents, the Board may adopt, amend and repeal rules and regulations governing, among other things and without limitation, the use of the Common Elements. A copy of the rules in effect will be distributed to each Member and any change in the rules will also be distributed within a reasonable time following the effective date of the change.

6.3.2. Enforcement. The Board will provide for enforcement of the Association rules as set forth in the Bylaws.

6.4. Delegation by Association Board.

6.4.1. Delegation to Manager. The Association, acting through the Board, may employ or contract for the services of a Manager to act for the Association and the Board and the officers according to the powers and duties delegated to the Manager pursuant to the Bylaws or resolution of the Board. Neither the Board nor any officer of the Association will be liable for any omission or improper exercise by a Manager of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

6.4.2. Committees. The Association, acting through the Board, may delegate any of its rights, duties, or responsibilities to any committee or other entity that the Board may choose to form.

6.4.3. Limitation. Any delegation by the Board under this Article VI is subject to compliance with the Bylaws and the requirement that the Board, when so delegating, will not be relieved of its responsibilities under the Project Documents.

6.5. Acquiring and Disposing of Personal Property. The Association may acquire, own and hold for the use and benefit of all Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise. Each Owner may use such personal property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners.

6.6. Cooperation with Others. The Association may contract or cooperate with the City of Aiken and County of Aiken, or with other homeowners' associations or owners of nearby property as convenient and necessary to provide services and privileges for the benefit of the Owners and their family members, guests, tenants and invitees. The costs associated with such efforts by the Association shall be a Common Expense.

6.7. Books and Records. The Association will make available for inspection, by Owners and Mortgagees, upon 30 days written request, current copies of the Project Documents, and the books, records and financial statements of the Association prepared pursuant to the Bylaws, as well as any management agreement.

6.8. Reserve Account. The Association will establish and maintain an adequate reserve fund from Annual Assessments levied pursuant to Section 7.3 below for maintenance, repair, or replacement of the Common Elements that must be replaced on a periodic basis and for any other facilities made available to the Association that must be replaced on a periodic basis with contribution from the Association.

6.9. Working Capital Account. The Association will administer a working capital account funded as provided in Section 7.4.

6.10. Implied Rights and Obligations. The Association will perform all of the duties and obligations imposed on it expressly by the Project Documents, together with every other

duty or obligation reasonably to be implied from the express provisions of the Project Documents or reasonably necessary to satisfy any such duty or obligation. The Association may exercise any other right or privilege (1) given to it expressly by the Project Documents; (ii) reasonably to be implied from the existence of another right or privilege given expressly by the Project Documents; or (iii) reasonably necessary to effectuate any such right or privilege.

Article VII

ASSESSMENTS

7.1. Creation of Lien and Personal Obligation for Assessments. Declarant, by creating the Lots pursuant to this Declaration, hereby covenants, and each Owner of any Lot, by accepting a deed for a Lot, whether or not it shall be so expressed in such deed or other instrument of transfer, is deemed to covenant to pay to the Association (i) Annual Assessments imposed by the Board of Directors as necessary to meet the Common Expenses of maintenance, operation and management of the Common Elements and Yards, to fund the reserve account contemplated under Section 7.2 and to generally carry out the functions of the Association; (ii) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (iii) Default Assessments which may be assessed against a Lot for the Owner's failure to perform an obligation under the Project Documents or because the Association has incurred an expense on behalf of the Owner under the Project Documents.

All Assessments, together with fines, interest, costs, reasonable attorneys' fees and other charges, shall be a charge on the Lot and shall be a continuing lien upon the Lot until each such Assessment is paid.

Each such Assessment, together with fines, interest, costs, reasonable attorneys' fees and other charges, shall also be the personal and individual obligation of the owner of such Lot as of the time the Assessment falls due, and two or more Owners of a Lot shall be jointly and severally liable for such obligations. No Owner may exempt himself from liability for any Assessments by abandonment or leasing of his Lot or by waiver of the use or enjoyment of the Common Elements. Suit to recover a money judgment for unpaid Assessments and related charges as listed above may be maintained without foreclosing or waiving the Assessment liens provided in this Declaration.

7.2. Purpose of Assessments. The Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and occupants of the Project, and for the improvement and maintenance of the Property and of the services and facilities located on the Property. Proper uses of the Assessments shall include, but are not limited to, the following:

7.2.1. Repairing, replacing, renovating and maintaining any of the Common Elements and the Yards not made the responsibility of the Owners by any provisions of this Declaration;

7.2.2. Installing, maintaining and repairing utilities and utility lines upon, across, over and under any part of the Project which are not conveyed to and accepted by utility companies;

7.2.3. Obtaining and maintaining insurance in accordance with the provision of Article XIV below;

7.2.4. Establishing and maintaining reserves for repairs, replacement, maintenance, taxes, capital improvements and other purposes;

7.2.5. Carrying out all other powers, rights and duties of the Association specified in the Project Documents; and

7.2.6. Generally, addressing any other expenses necessary to meet the primary purposes of the Association,

7.3. Annual Assessments.

7.3.1. Calculation of Annual Assessments. The Board shall prepare a budget before the close of each fiscal year of the Association and submit the budget to the Association. The Board shall send a copy of the budget to each Owner at least thirty days prior to the effective date of such budget. The budget shall automatically take effect on the date specified by the Board unless Members entitled to cast at least 65% of the votes in the Association veto such budget at a meeting of the Members. The Board shall have no duty to call a meeting of the Members except upon receipt, within ten days after the budget is sent to each Owner, of a petition signed by the Members as required for a special meeting pursuant to the Bylaws. The Board may revise the budget from time to time during the fiscal year to reflect unanticipated expenses or changes in anticipated expenses, as the Board deems appropriate. The Board shall provide a copy of any revised budget to the Members and the Members shall have a right to veto any change from the budget previously in effect in the same manner as described above. If a budget is not adopted for any year, then until such time as a budget is adopted, the budget in effect for the immediately preceding year shall continue for the current year,

Annual Assessments for Common Expenses shall be based upon the estimate net requirements of the Association to cover items including, without limitation, the cost of routine maintenance and operation of the Common Elements; expenses of management; premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping and care of grounds; common lighting in the Common Elements; routine renovations within the Common Elements; wages and common water and utility charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any deficit remaining from a previous Assessment period; and the supplementing of the reserve fund for general and routine maintenance, repairs and replacement of the Common Elements on a periodic basis, as contemplated under Section 7.2

7.3.2. Apportionment of Annual Assessments. Generally, each Owner shall be responsible for that Owner's share of the Common Expenses, which, except as specifically provided in this Declaration, shall be assessed to the Lots in a pro rata manner as shown on Exhibit B subject to the following provisions. Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Lot to which that Limited Common Element is assigned, equally, or in any other proportion the Board reasonably determines. Any Common Expense or portion thereof benefiting fewer than all of the Lots shall be assessed exclusively against the Lots benefited. If any Common Expense is caused by the misconduct of any Owner, the Association may assess that expense exclusively against such Owner's Lot.

7.3.3. Collection. Annual Assessments shall be collected in periodic installments as the Board may determine from time to time, but until the Board otherwise directs, they shall be payable monthly in advance on the first day of each calendar month. The Association shall have the right, but not the obligation, to make pro rata refunds of any Annual Assessments in excess of the actual expenses incurred in any fiscal year; however specifically excluding therefrom any amounts deposited into the reserve fund of the Association. Any such excess funds not refunded will be applied to the next installment(s) of Annual Assessments due.

7.3.4. Date of Commencement of Annual Assessments. The Annual Assessments shall commence as to all Lots no later than sixty days after the date of the first conveyance by Declarant of a Lot to an Owner. The first Annual Assessment shall be prorated according to the number of months remaining in the calendar year.

7.4. Capitalization of the Association. Upon the first conveyance of record title to a Lot from Declarant, the Owner shall contribute to the working capital and reserves of the Association an amount of Two Hundred and no/100 (\$200.00) Dollars. The Association shall maintain the working capital funds in a segregated account to meet unforeseen expenditures or to acquire additional equipment or services for the benefit of the Members. Such payments to this fund shall not be considered advance payments of Annual Assessments and except for refunds to Declarant, shall not be refundable. Declarant may not use any working capital funds to defray any of its expenses, reserve contribution, or construction costs or to make up any budget deficits.

7.5. Special Assessments.

7.5.1. Determination by Board. The Board of Directors may levy in any fiscal year one or more Special Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair, or replacement of a described capital improvement within the Project or any facilities located in the Project, including the necessary fixtures and personal property related to it, or to make up any shortfall in the current year's budget.

7.5.2. Apportionment and Collection of Special Assessments. The Board will apportion Special Assessments among the Lots and collect payment according to the same guidelines as set forth in the Annual Assessments in Section 7.3.2.

7.5.3. Notice. Notice of the amount and due dates for such Special Assessments must be sent to each Owner at least thirty days prior to the due date.

7.5.4. Member Approval. If any of the Special Assessments levied pursuant to this Section are to be used for the construction of new facilities (as opposed to repair and reconstruction of existing facilities in the Project), and if the total amount of the Special Assessments levied for such construction exceeds 10% of the gross annual budget for the Association for that year, then the use of Special Assessments for that construction will require the approval of Owners representing at least 67% of the votes in the Association. The use of Special Assessments pursuant to this Section for constructing any Common Elements shall not apply to the construction of Common Elements to be completed by Declarant as part of the initial development of the Project.

7.6. Default Assessments. All monetary fines, penalties, interest, or other charges or fees levied against an Owner pursuant to the Project Documents, or any expense (including, without limitation, attorneys' fees) incurred by the Association as a result of the failure of an Owner to abide by the Project Documents, constitutes a Default Assessment, enforceable as provided in this Declaration below,

7.7. General Remedies of Association for Nonpayment of Assessment. Any installment of an Annual Assessment or a Special Assessment which is not paid within the time period established from time to time by the Board shall be delinquent. If such an Assessment installment becomes delinquent, or if any Default Assessment is levied, the Association, in its sole discretion, may take any or all of the following actions:

7.7.1. Assess a late charge for each delinquency at uniform rates set by the Board from time to time;

7.7.2. Charge interest from the date of delinquency at the Default Rate;

7.7.3. Suspend the voting rights of the Owner during any period of delinquency;

7.7.4. Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;

7.7.5. Bring an action at law against any Owner personally obligated to pay the delinquent Assessment charges;

7.7.6. File a statement of lien with respect to the Lot and foreclose as set forth in more detail below.

The remedies provided under this Declaration shall not be exclusive, and the Association may enforce any other remedies to collect delinquent Assessments as may be provided by law,

7.8. Assessment Liens. Any Assessment chargeable to a Lot (together with any interest, late charges, costs, expenses and reasonable attorneys' fees) shall constitute a lien on the Lot, effective as of the due date of the Assessment. To evidence the lien, the Association may, but shall not be required to prepare a written lien statement setting forth the name of the Owner, the legal description of the Lot, the name of the Association and the delinquent Assessment amounts then owing. Any such statement shall be duly signed and acknowledged by the President or Vice President of the Association, or by the Manager, and the Association shall serve the notice upon the Owner by mail to the address of the Lot or such other address as the Association may have in its file for such Owner. At least ten days after the Association mails the statement to the Owner, the Association may record the same in the office of the Registrar of Mesne Conveyances of Aiken County, South Carolina. The Association shall have the power to foreclose any lien for Assessments in the manner provided by law. The Association further shall have the power to bid on a Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the Lot.

7.9. Successor's Liability for Assessment. Upon the sale of any Lot, all unpaid Assessments on said Lot that are due and payable shall be paid from the sales price. All successors to the fee simple title of a Lot shall be liable for assessments levied during the prior Owner's ownership of the Lot; provided, however, that any successor shall be entitled to rely on the statement of Status of Assessments given by or on behalf of the Association under Section 7.13 below and the Association shall be bound by any Status of Assessments provided by it.

7.10. Waiver of Homestead Exemption; Subordination of the Lien. The lien of the Assessments shall be superior to and prior to any homestead exemptions provided now or in the future by any federal law or the laws of the State of South Carolina and all other liens and encumbrances except the following:

7.10.1. Liens and encumbrances recorded before the date of recording of this Declaration;

7.10.2. Liens for real estate taxes and other governmental assessments or charges duly imposed against the Lot by a governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

7.10.3. The lien for all sums unpaid on a Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent, including any and all advances made by the Mortgagee, even though some or all of such advances may have been made subsequent to the date of attachment of the Association's lien.

All other persons holding a lien that is not described in Sections 7.10.1 through 7.10.3 shall be deemed to consent that any such lien or encumbrance shall be subordinate to the Association's future liens for Assessments, interest, late charges, costs, expenses and attorneys' fees as provided in the Article, whether such consent is specifically set forth in the instrument creating any such lien or encumbrance.

7.11. Reallocation of Assessments Secured by Extinguished Liens. The sale or transfer of any Lot to enforce any of the liens to which the lien for Assessments is subordinate shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer. The amount of such extinguished lien may be reallocated and assessed to all Lots as a Common Expense at the direction of the Board. However, no such sale or transfer shall relieve the purchaser or transferee of a Lot from liability for, or the Lot from, the lien of assessments made after the sale or transfer.

7.12. Exempt Property. The following portions of the Property shall be exempt from the Assessments, charges and liens created under this Declaration:

7.12.1. All properties to the extent of any easement or other interest therein dedicated and accepted by any governmental entity and devoted to public use;

7.12.2. All utility lines and easements; and

7.12.3. The Common Elements.

7.13. Statement and Status of Assessments. The Association shall furnish to an Owner or his designee or to any Mortgagee a statement setting forth the amount of unpaid Assessments then levied against the Lot in which the Owner, designee or Mortgagee has an interest. The Association shall deliver the statement personally or by mail, first class postage prepaid. The information contained in such statement, when signed by the Treasurer of the Association or the Manager, shall be conclusive upon the Association, the Board and every Owner as to the person or persons to whom such statement is issued and who relies on it in good faith. The Board may establish a reasonable fee relating to such statement.

7.14. Protection of the Association's Lien. With the approval of the Board of Directors, the Association may protect its lien for Assessments against any Lot by submitting a bid at any tax or foreclosure sale with respect to the Lot.

7.15. Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice will not be deemed a waiver, modification, or release of any Owner from the obligation to pay Assessments. In such event, each Owner will continue to pay Annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made.

Article VIII

MAINTENANCE RESPONSIBILITIES

8.1. Owner's Rights and Duties With Respect to Interiors and Exteriors. Each Owner shall have the exclusive duty to maintain and repair at the Owner's sole cost and expenses the interior space and exterior of any Unit located on the Owner's Lot. Such interior space and exterior shall be maintained in a first class condition. An Owner shall not take any action or work that will impair the structural soundness or the integrity of any Building or Unit, or impair any easement. An Owner is responsible for all repairs resulting from a casualty occurring within, or affecting the interior or exterior of any portion of a Unit located on such Owner's Lot. No Owner shall alter either their Yard (including installation or replacement of any landscaping), the exterior of any Unit or any Common Element without the prior written consent of the Association. In the event that any maintenance or repair shall be undertaken by an Owner on their Unit which impacts another Owner's Unit or another Owner's peaceful occupation thereof, such Owner shall coordinate such maintenance and/or repair work with any other affected Owners so as to minimize the disruption. In addition, all Owners shall agree to cooperate with respect to any maintenance and/or repair work to be performed to more than one Unit so as to have the work performed in the most efficient and least disruptive manner. Each owner shall run the sprinkler system as necessary to keep the landscaping in the yard in an attractive manner, at each owner's sole expense.

8.2. Responsibility of the Association. The Association shall maintain, as a Common Expense, the common elements and the front and side yards of each Unit. The Association shall not maintain the fenced yards behind each Unit. The Association shall be solely responsible for the landscaping and any maintenance, repair or replacement thereof, of the Common Elements and the Front and side yards. Further, in the event that an Owner fails to perform any necessary maintenance and/or repair to its Unit as required pursuant to the terms of Section 8.1, and such failure on the part of the Owner causes such Unit to be rendered unsightly, constitute a nuisance, or otherwise threaten the structural integrity of the Building, the Association has the right, but not the obligation, to perform such work on such Owner's behalf and any and all costs so incurred shall be Default Assessments.

Article IX

CONVEYANCES AND TAXATION OF UNITS

9.1. Conveyance Description. Every instrument of conveyance, Mortgage, or other instrument affecting title to a Lot which legally describes the Lot shall be construed to describe the Lot, together with the easement rights in the Common Elements appurtenant to it, and all fixtures and improvements contained in it, and to incorporate all the rights incident to ownership of a Lot and all the limitations of ownership as

described in this Declaration.

9.2. Separate Tax Assessments. Upon the recording of this Declaration and the recording of the Map of record in Aiken County, South Carolina, Declarant shall take all actions necessary so that all taxes, assessments and other charges by the State or any governmental or political subdivision or any other taxing agent or assessing authority shall be assessed against and collected on each Lot, each of which shall be carried on the tax records as a separate and distinct parcel for that purpose.

The lien for taxes assessed to the Owner or Owners of a Lot shall be confined to the Individual Lot and to the Owner's appurtenant rights in the Common Elements. No forfeiture or sale of any Lot for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Lot or the Common Elements.

Article X

MECHANICS' LIENS

Subsequent to the filing of the Map and this Declaration, no labor performed or materials furnished for use and incorporated into any Lot with the consent of or at the request of the Owner of the Lot or the Owner's agent, contractor, or subcontractor shall be the basis for filing of a lien against a Lot of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien for labor performed or for materials furnished in work on such Owner's Lot and the Lots of the other Owners or against the Common Elements, or any part thereof.

Article XI

USE RESTRICTIONS

11.1. Use of Lots. All Lots shall be used for single family dwelling purposes only. Owners of the Lot may rent or lease such Lot to others for the purposes allowed under this Declaration and may use the Lot for home occupations which do not cause unreasonable disturbance to other Owners and which are permitted by applicable laws and this Declaration. For purposes hereunder, any home occupation that results in increased traffic flow or noise or constitutes a nuisance shall be deemed an unreasonable disturbance and shall not be permitted. Further, no signage or other identification that an occupation is conducted within such Lot is permitted.

11.2. Conveyance of Lots. All Lots shall be subject to the covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions contained in

this Declaration, as they may be amended from time to time.

11.3. Use of Common Elements. There shall be no obstruction of the Common Elements nor shall anything be kept or stored on any part of the Common Elements or the Yard by an Owner without the prior written approval of the Association, including, but not limited to, playground equipment, lawn furniture or outdoor grills. Nothing shall be altered on, constructed in, or removed from the Common Elements or the Yard by any Owner without the prior written approval of the Association.

11.4. Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept in any Lot or in or on the Common Elements, which would result in the cancellation of the insurance on all or any part of the Project or in an increase in the rate of the insurance on all or any part of the Project over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Lot or in or on the Common Elements which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body. No damage to or waste of the Common Elements shall be committed by any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by the Owner, the members of the Owner's family, or guests, invitees, tenants or contract purchasers.

11.5. Structural Alterations and External Appearance. No structural alterations to any Lot or any Common Element shall be made or caused to be made by any Owner without the prior written approval of the Association and without compliance with Article XIX below.

11.6. Signs and Exterior Decorations. No signs of any kind shall be displayed to the public view on or from any portion of a Lot except (i) during the Special Declarant Rights Period, signs of Declarant or its affiliates or assigns and (ii) signs required by law. No exterior decorations that are visible for public view outside the Unit will be allowed without first obtaining the written approval of the Association.

11.7. Animals and Pets. Owners may maintain household pets, provided that such pets are confined to the interior of the Unit, except that such pets may be permitted outside of such Unit provided that they are on a leash and otherwise under the control of such Owner or its agent and further provided that any refuse deposited by such animal is immediately removed and disposed of in a proper manner. Under no circumstances are any animals permitted to run at large in the Project.

11.8. Noise. Owners of pets in the Project will be required to take all action necessary to control excessive barking or other disturbances caused by such pets.

11.9. Trash. No trash, ashes, building materials, firewood, or other unsightly items may be thrown, dumped, or stored on any land or areas within the Project, except as

designated by the Association, There shall be no burning or other disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage of refuse within the Unit. The foregoing notwithstanding, trash receptacles may be placed outside of the Unit for a period not to exceed twenty-four hours on any day when the trash is being picked up by a trash service. Trash cans shall be placed on the trash can pads.

11.10. Construction Rules and Regulations. All Owners and contractors shall comply with the rules and regulations regulating construction activities.

11.11. Compliance with Laws. Subject to the rights of reasonable contest, each Owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances and other governmental or quasi-governmental regulations with respect to all or any portion of the Project. Further, no Owner shall dispose of or allow any person under the Owner's control or direction to release, discharge, or omit from the Project or dispose of any material on the Project that is designated as hazardous or toxic under any federal, state, or local law, ordinance or regulation,

11.12. No Outside Clotheslines. No laundry or wash shall be dried or hung outside any Unit.

11.13. Antennae. No exterior radio, television, microwave, or other antenna or antenna dish or signal capture or distribution devise shall be permitted outside any Unit, except in the fenced area behind each unit.

11.14. Outside Burning. There shall be no exterior fires, except for supervised cooking of food within an enclosed above-ground barbecue grill. No Owner shall permit any condition with the Project which creates a fire hazard or is in violation of fire prevention regulations.

11.15. Nuisance. No obnoxious or offensive activity shall be carried on within the Property, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate upon the Project so as to be offensive or detrimental to any other part of the Project or its occupants.

11.16. Balconies and Patios. No bicycles, trash containers, other unsightly items, or items which constitute a nuisance may be stored on the balconies or patios of Units.

11.17 Leasing. An Owner shall have the right to lease a Lot, subject to the condition that the Owner shall be liable for any violation of the Project Documents committed by the Owner's tenant. Any lease of a Lot must be in writing and must be subject to the requirements of the Project Documents.

11.18. Vehicles.

11.18.1. No more than two vehicles per Lot may be parked on a permanent basis within the Project. For purposes hereof, any vehicle which is parked within the Project for more than three consecutive days (or portions of each day thereof) is considered to be parked permanently within the Project. All such vehicles must be parked in the driveway appurtenant to such Lot.

11.18.2. No vehicles may be left on the main roadway serving the Project overnight.

11.18.3 No junk or abandoned vehicle may be maintained within the Project.

11.18.4. No commercial vehicles, campers, trailers, or trucks exceeding one (1) ton in weight shall be parked in the Project overnight.

11.18.5. Only vehicles belonging to the Owner of a Unit and the Owner's tenants, guests, licensees and invitees shall be permitted in the driveway which is appurtenant to such Owner's Lot.

11.19. Garage Doors. All garage doors, if any, must be kept in a closed or shut position except during periods when vehicles or pedestrians are immediately entering or exiting the garage.

11.20. Mailboxes. Upon completion of a Lot, the Declarant shall erect a mailbox to be used by the Owner and occupants of that Lot for their sole and exclusive use as a mail delivery receptacle. In the event that said mailbox or the post upon which it is situated is thereafter damaged, destroyed, removed or otherwise rendered unusable, the owner of such Lot which is entitled to the sole and exclusive use shall promptly repair and/or replace the mailbox or the post upon which it is affixed, as applicable, with a mailbox and/or post of the same color, size, material, construction and in the same location as the mailbox and post erected by the Declarant. Declarant may install a mail kiosk if Declarant or the U.S. Postal Service desires a mail kiosk as opposed to individual mailboxes. The mailbox kiosk will be maintained by the association.

Article XII

PROPERTY RIGHTS OF OWNERS

12.1. Owner's Easements of Access and Enjoyment. Every Owner has a perpetual, non exclusive easement for use and enjoyment of the General Common Elements, which easement is appurtenant to and shall pass with the title to every Lot, subject to the following provisions. Each owner shall have an access easement to place a trash can on the trash can pads, which shall be installed by Declarant.

12.2. Delegation of Use. Any Owner may delegate his right of enjoyment of the Common Elements to members of the Owner's family residing with such Owner, the

Owner's tenants, guests, licensees and invitees, but only in accordance with the applicable rules of the Association and the other Project Documents.

12.3. Easements of Record. The Property will be subject to all easements shown on the Map and to any other easement of record as of the date of recordation of this Declaration.

12.4. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Project and the Individual Lots, including the Units, in the proper performance of their duties.

12.5. Easements for Encroachment. The Project, and all portions of it, are subject to easements hereby created for encroachments (so long as such encroachments exist) between Lots and the Common Elements as follows:

12.5.1 In favor of all Owners so that they have no legal liability when any part of the Common Elements encroaches upon an Individual Lot.

12.5.2. In favor of each Owner of each Lot so that the Owner shall have no legal liability when any part of his Unit encroaches upon the Common Elements or upon another Lot.

12.5.3. In favor of all Owners and the Association for the maintenance and repair of such encroachments.

Easements referred to in this Section 12.5 include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Buildings or any Unit constructed in the Project, by error, by settling, rising, or shifting of the earth, or by change in position caused by repair or reconstruction of any part of the Project. Such encroachments shall not be considered to be encumbrances upon any part of the Project.

12.6. Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Elements may be located within or accessible only through the Individual Lots. The Association shall have the irrevocable right to have access to each Individual Lot and to all Common Elements located therein or accessible therefrom from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal or replacement of any of the Common Elements or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any Individual Lot. Subject to the provision of Section 6.2 above, damage to any Unit or Lot resulting from the maintenance, repair, emergency repair, removal, or replacement of any of the Common Elements or as a result of emergency repair within another Individual Lot or Unit at the instance of the Association shall be a Common Expense.

12.7. Combination or Subdivision of Lots. No Lots may be subdivided or combined

except with the prior written approval of the Association and provided that it is done in compliance with all applicable laws and regulations.

Article XIII

SPECIAL DECLARANT RIGHTS AND RESERVED RIGHTS

13.1. General Provisions. Until the expiration of the Special Declarant Rights Period, Declarant will have the following Special Declarant Rights with respect to all of the Property:

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

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

(a) The right to create Lots and Common Elements, including General Common Elements and Limited Common Elements on the Property.

(b) The right to subdivide Lots and convert Lots into Common Elements on any part of the Property and the right to convert General Common Elements into Limited Common Elements and the right to convert Limited Common Elements into General Common Elements.

(c) The right to allocate subsequent Limited Common Elements.

13.1.3. Sales Activities. The right to maintain a sales office, a management office, one model Unit and appropriate advertising signage within the Project. At all times, the offices, Unit (including the Lot upon which such Unit is situated) and signage will remain the property of Declarant and may be removed or relocated in the Project by Declarant at any time or promptly after expiration of the Special Declarant Rights Period.

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

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

13.3. Supplemental Provisions Regarding Declarant's Rights. Declarant reserves the right to amend this Declaration and any Map in connection with the exercise of any Special Declarant Rights to the extent permitted by law.

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

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

13.6. General Provision. Any entity using these general easements provided under this Article shall use its best efforts to install and maintain the easements for utilities, drainage, or irrigation lines without disturbing the uses of the Owners, the Association and Declarant; shall prosecute its installation and maintenance activities as promptly as possible and, in the case of utility work, shall restore the surface to its original condition as soon as possible after completion of its work. Should any entity furnishing a service covered by these general easements request a specific easement by separate recordable document, either Declarant or the Association shall have, and are hereby given the right and authority to grant such easement upon, across, over, or under any part of all of the Property without conflicting with the terms of this Declaration. This general easement shall in no way affect, avoid, extinguish, or modify any other recorded easements affecting the Property.

13.7. Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under and across the Common Elements, together with the right to store materials on the Common Elements and to make such other use of the Common Elements as may be reasonably necessary or incident to the construction of Lots on the Property. No such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment, or access to the Property by the owners.

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

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

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

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

13.12. Easements Deemed Created. Any and all conveyances made by Declaration to the Association or any Owner shall be conclusively deemed to incorporate these reservations of rights and easements, whether set forth in such grants.

Article

XIV INSURANCE

14.1. Authority to Purchase. To the extent more particularly set forth below, the Board, the Manager and the Declarant shall be authorized to purchase insurance policies so as to be in compliance with the provisions of this Article. The foregoing notwithstanding, the Board, the Manager and Declarant shall not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if

such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable cost.

14.2. Notice to Owners. The Board shall promptly furnish to each Owner written notice of materially adverse changes in, cancellation, or termination of insurance coverage obtained on behalf of the Association under this Article.

14.3. General Insurance Provisions. All such insurance coverage obtained in accordance with this Article shall conform to the following provisions:

14.3.1. As long as Declarant owns any Lot, Declarant shall be protected by all such policies in the same manner as any Owner.

14.3.2. Depending on the area within the Property damaged or destroyed and covered by an insurance claim submitted on behalf of the Association, the deductible amount, if any, on any insurance policy purchased by the Board may be treated as a Common Expense payable from Annual Assessments or Special Assessments allocable to all of the Lots or to only some of the Lots if the claims or damages arise from the negligence of particular Owners, or if the repairs benefit only particular Owners, or as an item to be paid from working capital reserves established by the Board. The Association may enforce payment of any amount due from an individual Owner toward the deductible in accordance with Sections 7.6 and 7.7 above. Except as otherwise set forth in this Article, the maximum deductible amount shall be the lesser of \$10,000.00 or one percent of the policy face amount.

14.3.3. Except as otherwise provided in this Declaration, insurance premiums for the insurance coverage obtained by the Board pursuant to this Article shall be a Common Expense to be paid by regular Annual Assessments. In accordance with Section 7.3.2 above, the Board shall make appropriate allocations of the cost of any insurance carried by the Association for the benefit of a particular Owner.

14.4. Property Damage Insurance. Each individual Owner shall obtain and maintain in full force and effect property damage insurance on its Individual Lot and Unit, together with the fixtures and equipment installed in the Units and replacements thereof, covering the interests of the Owner, the Association and their Mortgagees, as their interests may appear. The insurance shall be carried in an amount equal to full replacement value and shall include a replacement cost endorsement. Such insurance shall afford protection against at least the following:

14.4.1. Loss or damage caused by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement including, but not limited to, sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage; and

14.4.2. Such other risks as shall customarily be covered with respect to projects similar in construction, location and use to the Project.

14.5 Provisions Common to Property Damage Insurance.

14.5.1. Each such policy of property damage insurance carried by an Owner on its Lot shall name the Association as an additional insured.

14.5.2. At least thirty (30) days prior to the expiration date of each policy of insurance required to be maintained by an Owner hereunder, a copy of the renewal or replacement thereof which meets the criteria established hereunder shall be delivered to the Association. In the event that an Owner fails to obtain, maintain, or otherwise provide evidence of the insurance required hereunder, the Association has the right, but not the obligation, to obtain such insurance on said Owner's behalf and any and all costs or expenses so incurred by the Association shall be treated as Default Assessments against the Owner who failed to provide the requisite insurance.

14.6. Liability Insurance. The Association may obtain and maintain in full force and effect commercial general liability insurance with such limits as the Board may from time to time determine, insuring each member of the Board, the Association, the Manager (if any) and the employees and agents of the Association and the Manager against any liability to the public or the Owners (and their guests, invitees, tenants, agents and employees) arising out of or incident to the ownership, existence, operation, management, maintenance, or use of the Common Elements and any other areas under the control of the Association. Declarant shall be included as an additional insured in Declarant's capacity as Owner or Director. The Owners shall be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties. Such comprehensive policy of public insurance shall include the following:

14.6.1. A cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another insured.

14.6.2. A "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to an Owner because of the negligent acts of the Association or another Owner.

14.6.3. Coverage for such risks as shall be customarily covered with respect to projects similar to the Project in construction, location and use.

The Board shall review the coverage limits at such intervals as the Board may deem advisable but in no event shall such coverage be less than \$500,000.00 for all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an

amount not less than \$1,000,000.00.

14.7. Provisions Common to Liability Insurance. Any insurance coverage obtained by the Association under the provisions of this Article shall be subject to the following provisions and limitations:

14.7.1. The named insured under any such policies shall include Declarant, until all Lots have been conveyed, and the Association, as attorney-in-fact for the use and benefit of the Owners, or the authorized representative of the Association who shall have exclusive authority to negotiate losses and receive payments under such policies, and the "loss payable" clause should designate the Association who will act as trustee for each Owner and the holder of each Lot's Mortgage.

14.7.2. Each Owner shall be an insured person with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association.

14.7.3. In no event shall the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgagees.

14.7.4. The policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of any Owner (including an Owner's family, tenants, servants, agents, invitees and guests) when such act or neglect is not within the control of the Association; or (ii) any act or neglect or failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control.

14.7.5. The policies shall contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be canceled in the middle or at the end of any period of coverage or substantially modified or reduced (including cancellation for nonpayment of premiums) without at least thirty days prior written notice mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known address,

14.7.6. The policies shall contain a waiver of subrogation by the insurer as to any and all claims against Declarant, the Board, the Association, the Manager and any Owner of their respective agents, employees, or tenants, and in the case of Owners, members of their household and of any defenses based upon co-insurance.

14.7.7. The policies described in this Article shall provide that any "no other insurance" clause shall expressly exclude individual Owners' policies from its operation so that the physical damage policy or policies purchased by the Board shall be deemed primary coverage, and any individual Owners policies shall be deemed excess coverage.

14.8. Workmen's Compensation Insurance. The Association may obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

14.9. Other Insurance. The Association may obtain insurance against such other insurable risks of a similar or dissimilar nature as it deems appropriate with respect to the Association's responsibilities and duties.

14.10. Insurance Obtained by Owners. It shall be the responsibility of each Owner, at such Owner's expense, to maintain property damage insurance on such Owner's personal property and furnishings and public liability insurance covering each Owner's Lot. In addition, an Owner may obtain such other and additional insurance coverage on and in relation to the Owner's Lot as the Owner, in the Owner's sole discretion, shall conclude to be desirable. However, no such insurance coverage obtained by the Owner shall operate to decrease the amount which the Board, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause diminution or termination of that insurance coverage.

Article XV

ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney in-fact in such Owner's name, place and stead and for the purposes of dealing with the Project upon its damage or destruction as provided in Article XVI below, or a complete or partial taking as provided in Article XVIII below. In addition, the Association is hereby appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance on behalf of the Owners under Article XIV above and to represent the Owner in any condemnation proceeding under Article XVIII below including: the collection and appropriate disposition of the proceeds of such insurance or any condemnation award; the negotiation of losses and the execution of releases of liability; the execution of all documents incident thereto; and the performance of all other acts necessary to accomplish such purposes. The Association shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Acceptance by a grantee of a deed or other instrument of conveyance from Declarant or any other Owner conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have the full authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

Article XVI

DAMAGE OR DESTRUCTION

16.1. Role of the Board of Directors. Except as provided in Section 16.6, in the event of damage to or destruction of the Common Elements, the Board shall arrange for and supervise the prompt repair and reconstruction of the damaged Common Elements. In the event of any damage or destruction of one or more Units, the affected Owners shall arrange for and supervise the prompt repair and reconstruction of the damaged areas of the Units, subject to the other provisions of this Article. To the extent that the damage is to more than one Unit, the affected Owners shall cooperate with each other so as to minimize disruption and complete the repair and/or reconstruction in a prompt and efficient manner. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed part of the Project to substantially the same condition in which it existed immediately prior to the damage or destruction, with each Unit and the Common Elements having substantially the same vertical and horizontal dimensions as existed prior to the damage or destruction.

16.2. Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of that part of the Common Elements damaged or destroyed for which it is responsible for repairing and/or reconstructing. In addition, the Owners shall diligently pursue to completion the repair and reconstruction of their Unit damaged or destroyed for which such Owners are responsible for repairing and/or reconstructing. In the event that one or more Owners fail to promptly and diligently pursue such repair and reconstruction to completion, the Association may, as attorney-in-fact for the Owners, take any and all necessary or appropriate actions to effect repair and reconstruction and no consent or other action by any Owner shall be necessary. Any such costs or expenses incurred by the Association on behalf of said defaulting Owner shall be treated as a Default Assessment against the defaulting Owner. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

16.3. Association Funds for Repair and Reconstruction. Subject to the provisions of Section 16.6 below, any proceeds received by the Association from any hazard insurance for reparation and/or replacement of Common Areas shall be used for the purpose of repair and reconstruction required to be completed the Association. If the insurance proceeds received by the Association are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to Section 7.5 above, levy, assess and collect in advance from the Owners a Special Assessment sufficient to provide funds to pay such estimated actual cost of repair and reconstruction. The cost of repair and reconstruction in excess of insurance proceeds and reserves is a Common Expense.

16.4. Owners Funds for Repair and Reconstruction. Subject to the provisions of Section 16.6 below, any proceeds received by an Owner from any hazard insurance policy for reparation and/or replacement of a Unit shall be used solely for the restoration of such Unit.

16.5. Disbursement of Funds for Repair and Reconstruction.

16.5.1. The insurance proceeds held by the Association and the amounts received from Special Assessments provided for above constitute a fund for the payment of the costs of repair and reconstruction of the Common Elements after casualty. Such fund shall be applied by the Association as attorney-in-fact for such reconstruction and the Common Elements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair and restoration of the Common Elements. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, or if no Special Assessments were made, then in proportionate shares on the basis of the allocation to the Owners of Common Expenses under Section 7.3.2 above.

16.6. Decision Not to Rebuild. Any portion of the Project for which insurance is required pursuant to the provisions of this Declaration which is damaged or destroyed must be repaired or replaced promptly by the Association or the Owner, as applicable, unless:

- (i) The Project is terminated pursuant to Article XVII below;
- (ii) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or
- (iii) Owners representing at least seventy-five percent of votes in the Association, including the vote of every Owner of a Lot or assigned Limited Common Element that was damaged or destroyed and including, during the Special Declarant Rights Period, the vote of Declarant, vote not to repair and reconstruct the Project.

If the entire Project is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Project, and, except to the extent that other persons will be distributees, the insurance proceeds attributable to the Limited Common Elements that are not rebuilt must be distributed to the Owners of those Lots to which the Limited Common Elements were allocated, or to Mortgagees as their interests may appear, and the remainder of the proceeds must be distributed to all Owners or Mortgagees, as their interests may appear in accordance with the pro rata

shares as set forth in Exhibit B. Further, any Owner who elects not to repair or replace in accordance with this Section must place his Lot in a safe condition and further shall place the Lot in an attractive condition when viewed from the remainder of the Project. Should such Owner fail to render the Lot safe and attractive, the Association, as attorney-in-fact, may perform or contract to perform the work on behalf of the defaulting Owner and any such costs incurred by the Association for this work shall constitute a Default Assessment if not promptly reimbursed by the Owner to the Association.

16.7. Repairs. All repairs and reconstruction contemplated by this Article shall be performed substantially in accordance with this Declaration, the Map and the original plans and specifications for the Project, unless other action is approved by the Association in accordance with the requirements of this Declaration and the other Project Documents.

Article XVII

TERMINATION OF PROJECT

17.1. Adoption of Termination Agreement. Except in the case of a taking of all of the Lots by eminent domain, the Project may be terminated by the agreement of all of the Owners of Lots, which termination proposal must have the approval of all Mortgagees of record at the time of the adoption of such plan. The approval of a Mortgagee will be assumed when such Mortgagee fails to submit a written response to the proposed termination within thirty days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested. The agreement of Owners to terminate must be evidenced by their execution of a termination agreement or ratification thereof in the same manner as a deed, by the requisite number of Owners. The termination agreement and all ratifications thereof must be recorded in the office of the Registrar of Meşne Conveyances for Aiken County, South Carolina and is effective only upon recordation.

17.2. Status of Common Elements. Title to the Common Elements, except the Limited Common Elements, following termination vests in the Owners upon termination as tenants in common in fractional interests set forth on Exhibit B. Title to any Limited Common Elements vests in the Owner or Owners to whose Lot(s) such Limited Common Elements are appurtenant.

Article XVIII

CONDEMNATION

18.1. Consequences of Condemnation. If, at any time during the continuance of the Project pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu or in avoidance of condemnation, then the provisions of this Article XVIII shall apply.

18.2. Complete Taking. In the event that the Project is taken or condemned or sold or otherwise disposed of in lieu of or in avoidance of condemnation, the condemnation award for any Common Elements shall be paid to the Association for the use and benefit of the Owners and Mortgagees as their interests may appear. Such award shall be apportioned to the Owners and Mortgagees on the basis of their pro rata share as set forth on Exhibit B; provided, however, any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Lots to which the Limited Common Element was allocated at the time of acquisition. Each Owner shall be solely responsible for negotiating with the condemning authority and receiving any such condemnation award allocated to such Owner's Individual Lot. The Association shall, as soon as practical, determine the share of the condemnation award to which each Owner and Mortgagee is entitled in accordance with the procedure set forth above. Upon full and final allocation of all condemnation awards, this Declaration shall terminate and be of no further force and effect.

18.3. Partial Taking. Except as the Owners may otherwise agree pursuant to Article XVII above, in the event that less than the entire Project is taken or condemned or sold or otherwise disposed of in lieu of or in avoidance of condemnation, each Owner (and Mortgagee with an interest in such Owner's Lot) shall be entitled to a share of the condemnation award to be determined under the following provisions. The condemnation award for any Common Elements shall be paid to the Association for the use and benefit of the Owners and the Mortgagees as their interests may appear. As soon as practical, the Association shall reasonably and in good faith allocate the condemnation award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners, as follows:

18.3.1. Subject to Section 18.3.3 below, the total amount allocated to a taking of or injury to the Common Elements shall be apportioned among Owners and any Mortgagees on the basis of the pro rata shares set forth on Exhibit B, and any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Lots to which the Limited Common Element was allocated at the time of acquisition;

18.3.2. The total amount allocated to severance damages shall be apportioned to Owners and Mortgagees of those Lots that were not taken or condemned;

18.3.3. The respective amounts allocated to the taking of or injury to a particular Lot or to improvements an Owner has made within the Owner's own Lot shall be apportioned to the Owner and Mortgagees of that particular Lot involved and paid directly to such Owner from the condemning authority; and

18.3.4. The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable under the circumstances.

If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation.

18.4. Reorganization. In the event a partial taking results in the taking of a Lot or Lots, the Owners thereof shall automatically cease to be Members of the Association, and their easement rights in the Common Elements shall terminate. Thereafter, the Association shall reallocate the voting rights and Assessment ratios determined in accordance with the Declaration, according to the same principles employed in this Declaration at its inception and the Board shall amend the Declaration accordingly.

18.5. Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article XVI above.

18.6. Notice of Condemnation. In the event that any portion of the Project shall be made the subject matter of any condemnation or eminent domain proceedings or otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and Mortgagee,

Article XIX

ARCHITECTURAL CONTROL

19.1. Rights with Respect to Remodeling and Construction. Owners of all Lots may make no exterior or interior addition, change, or alteration to any Unit until the plans and specifications showing the nature, kind, shape, height, color, materials and locations of the same shall have been submitted and approved in writing by the Board. In addition, Owners of all Lots may make no changes or additions to the existing landscaping existing on the Yards until the plans and specifications showing the proposed landscaping changes have been submitted and approved in writing by the Board. The Board shall approve or disapprove said plans in its sole discretion and all improvements and alterations shall be completed only in accordance with approved plans.

19.2. Purpose and General Authority. The Board shall review, study and either approve or disapprove proposed improvements or alterations on the Lot, all in compliance with this Declaration and as further set forth in the rules and regulations the Board may establish from time to time to govern its proceedings. No improvement or alteration shall be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor shall any

construction, repair or reconstruction be commenced until plans for the improvements or alterations shall have been approved by the Board; provided, however, that minor cosmetic improvements (such as painting of interior walls or wallpapering) that are not visible from the outside of the Building, that do not affect any of the General Common Elements, Limited Common Elements or other Units, and that do not cause any noise or other disturbance may be undertaken without such approval.

19.3. Board Discretion. The Board shall exercise reasonable efforts to provide that all improvements conform and harmonize with the Project. The actions of the Board in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

19.4. Expenses. Except as provided in this Section below, all expenses of the Board shall be paid by the Association and shall constitute a Common Expense. The Board shall have the right to charge a fee for each application submitted to it for review, in an amount which may be established by the Board from time to time and such fees shall be collected by the Board and remitted to the Association to help defray the expenses of the Board's operation.

19.5. Other Requirements. Compliance with the Board's process is not a substitute for compliance with applicable building, zoning and subdivision regulations, and each Owner is responsible for obtaining all approvals, licenses and permits as may be required prior to commencing construction of any improvements.

19.6. Limitation on Liability. The Board shall use its best judgment in accepting or disapproving all plans and specifications submitted to it. Neither the Board nor any individual Board member shall be liable to any person for any official act of the Board in connection with submitted plans and specifications, except to the extent the Board or any individual Board member acted with malice or wrongful intent. Approval by the Board does not necessarily assure approval by appropriate governmental boards or commissions. Notwithstanding that the Board has approved plans or specifications, neither the Board nor any of its members shall be responsible or liable to any Owner or contractor with respect to any loss, liability, claim, or expense which may arise by reason of such approval of the construction of the improvements. Neither the Board nor any agent thereof, nor the Declarant, nor any of its partners, employees, agents or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised, or approved in accordance with the provisions of the Project Documents, nor for any structural or other defects in any work done according to such plans and specifications.

19.7. Enforcement and Inspection. Any member or authorized consultant of the Board, or any authorized officer, Director, employee, or agent of the Association may enter upon any Lot, including the Unit, at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect improvements constructed or under construction on the Lot to determine whether the improvements are being built

in compliance with the Project Documents and the plans and specifications approved by the Board.

19.8. Deemed Nuisances. Every violation of these Covenants is hereby declared to be and to constitute a nuisance, and every public or private remedy against a Member shall be applicable. Without limiting the generality of the foregoing, these Covenants may be enforced as provided below:

19.8.1. The Board may adopt a schedule of fines for failure to abide by the Board's rules and regulations, including fines for failure to obtain any required approval from the Board.

19.8.2. Subject to the requirements of the Bylaws, the Association, upon request of the Board and after reasonable notice to the offender and, if different, to the Owner, may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any improvement constructed, reconstructed, refinished, altered, or maintained in violation of these Covenants. The Owner of the improvements shall immediately reimburse the Association for all expenses incurred in connection with such removal.

19.9. Continuity of Construction. All improvements commenced on the Property shall be prosecuted diligently to completion and shall be completed within six months after commencement unless an exception is granted in writing by the Board. If an improvement is commenced and construction is then abandoned for more than thirty days, or if construction is not completed within the required six month period, then after notice and opportunity for hearing as provided in the Bylaws, the Association may impose a fine in an amount established from time to time by the Board to be charged against the Owner of the Lot until construction is resumed, or the improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Board that such abandonment is for circumstances beyond the Owner's control.

Article XX

PARTY WALLS

20.1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of a Unit and placed on the dividing line between two Lots shall constitute a party wall and, to the extent consistent with this Article, the general rules of law governing party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

20.2. Sharing of Maintenance and Repair. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the party wall in proportion to their use thereof.

20.3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by

fire or other casualty, any Owner who has used the wall may restore it, and any other Owners who make use of the wall shall contribute to the cost of restoration thereof in proportion to such use; provided, however, that if such damage or destruction was caused by the negligent or willful acts or omissions of a particular Owner, such Owner shall be solely liable for the cost of restoration.

Article XXI

ENFORCEMENT OF COVENANTS

21.1. Violations Deemed a Nuisance. Every violation of this Declaration or any other of the Project Documents is deemed to be a nuisance and is subject to all remedies provided for the abatement or correction of the violation.

21.2. Compliance. Each Owner or other occupant of any part of the Property will comply with the provisions of the Project Documents as the same may be amended from time to time.

21.3. Failure to Comply. Failure to comply with the Project Documents will be grounds for an action to recover damages or for injunctive relief. Reasonable notice and an opportunity for a hearing as provided in the Bylaws will be given to the delinquent party prior to commencing any legal proceedings.

21.4. Who May Enforce. Any action to enforce the Project Documents may be brought by Declarant, the Board or the Manager (if any) in the name of the Association on behalf of the Owners. Such an action may be brought against the Declarant, the Board, the Manager, the Association, or any Owner.

21.5. Remedies. In addition to the remedies set forth above in this Article, any violation of the Project Documents shall give to the Board, the Manager, or Declarant, on behalf of the Owners, the right to enter upon the offending premises to take appropriate peaceful action to abate, remove, modify, or replace, at the expense of the offending Owner, any structure, thing, or condition that may exist thereon contrary to the Project Documents. If the offense occurs in any easement, walkway, Common Elements or the like, the cure shall be at the expense of the Owner or other person responsible for the offending violations.

21.6. Nonexclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

21.7. No Waiver. The failure of the Board, Declarant, Manager, or any aggrieved Owner to enforce the Project Documents will not be deemed a waiver of the right to do so for any subsequent violation or of the right to enforce any other part of the Project Documents at any future time.

21.8. No Liability. No member of the Board, the Declarant, the Manager, or any Owner

will be liable to any other Owner for the failure to enforce any of the Project Documents at any time.

21.9. Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Project Documents, or in any legal proceeding (whether or not suit is instituted) for damages or for the enforcement of the Project Documents or the restraint of violations of the Project Documents, the prevailing party will be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred,

Article XXII

RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and the Association or relating to the interpretation, performance, or nonperformance, violation, or enforcement of the Project Documents, such disputes or violations may be subject to a hearing and determination by the Board in accordance with the procedures set forth in the Bylaws.

Article XXIII

DURATION OF THESE COVENANTS AND AMENDMENTS

23.1. Term. The Declaration and any amendments or supplements hereto will remain in effect from the date of recordation until the twentieth anniversary of the date this Declaration is first recorded in the office of the Registrar of Mesne Conveyances for Aiken County, South Carolina. Thereafter, the Declaration will automatically extend for successive periods of ten years each, unless otherwise terminated or modified as provided below.

23.2. Amendment. This Declaration, or any provision of it, may be extended, modified, or amended as to the whole or any portion of the Property upon the written consent of Owners holding sixty seven percent or more of the votes in the Association. Amendments made pursuant to this Section will inure to the benefit of and be binding upon all Owners, their families, tenants, guests, invitees and employees, and their respective heirs, successors and assigns.

23.3. Declarant's Approval. Notwithstanding the provisions of Section 23.2, no extension, modification, or amendment of this Declaration will be effective in any event during the Period of Declarant Control, unless the written approval of Declarant is first obtained.

23.4. Notice of Amendment. No amendment will be effective unless a written notice of

the proposed amendment is sent to every Owner at least thirty days in advance of any action taken or purported to be taken and such Owner has been given the opportunity to vote or give its consent to the same.

23.5. Effective on Recording. Any modification or amendment made in accordance with this Declaration will be immediately effective upon recording in the office of the Registrar of Mesne Conveyances for Aiken County, South Carolina a copy of such amendment or modification executed and acknowledged by the necessary number of Owners (and by Declarant, as required).

Article XXIV

MISCELLANEOUS PROVISIONS

24.1. Severability. This Declaration, to the extent possible, will be construed or reformed so as to give validity to all of its provisions. Any provision of this Declaration found to be prohibited by law or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

24.2. Construction. In interpreting words in this Declaration, unless the context will otherwise provide or require, the singular will include the plural, the plural will include the singular, and the use of any gender will include all genders.

24.3. Headings. The headings are included only for purposes of convenient reference and they will not affect the meaning or interpretation of this Declaration.

24.4. Limitation of Liability. Neither the Association nor any officer or member of the Board will be liable to any party for any action or for any failure to act with respect to any matter arising by, through, or under the Project Documents if the action or failure to act was made in good faith. The Association will indemnify all of the officers and Board members with respect to any act taken in their official capacity to the extent provided in this Declaration and by law and in the Articles of Incorporation and Bylaws.

24.5. Conflicts Between Documents. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration will control. In the case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation will control.

24.6. Assignment. Declarant may assign all or any part of the Special Declarant Rights or any of Declarant's other rights and reservations hereunder to any successor who takes title to all or part of the Property for the purpose of development and sale. Such successor will be identified, the particular rights being assigned will be specified and, to the extent required, concomitant obligations will be expressly assumed by such successor, all in a written instrument duly recorded in the office of the Registrar of Mesne Conveyances for Aiken County, South Carolina.

24.7. Limit on Timesharing. No Owner of any Lot shall offer or sell any interest in such

EXHIBIT A

Legal Description of the Property

All those certain pieces, parcels, or lots of land, situate, lying and being South of the City of Aiken, in Aiken County, South Carolina and being shown and designated as Lots 1 through 32, and the 70' Right of way shown as Rock Fish Drive, and the 50' Rights of Way of Madrid Court and Catlet Court, on a Record Plat of Phase One, Townhomes of Chukker Creek, prepared for J & M Properties, LLC by Carolina Land Surveying, LLC, dated June 21, 2019 and recorded in the Office of the RMC for Aiken County, South Carolina in PL Book _____ at Page _____. Reference being made to said plat for a more complete and accurate description of said property.

This being a portion of the property conveyed to J & M Property LLC by deed of Ferrell L. Holley, Jr., Kirby C. Holley, and Sarah Holley Guida, by deed dated August 30, 2018 and recorded in RB 4739 at page 1506 in the Office of the RMC for Aiken County,
South
Carolina.

Tax Map No.: A Portion of 123-19-01-030

EXHIBIT B

PRO-RATA SHARE OF ASSESSMENTS

UNIT:

PRO-RATA SHARE OF ASSESSMENTS

**Units 1 through 32
of The Townhomes of
Chukker Creek, Phase 1**

**The Pro-Rata Share of assessments for
Units 1 through 32 is 3.125% for each Unit**

Note: At the time additional property is added to The Townhomes of Chukker Creek, the pro-rata share of assessments shall be adjusted to include the new residential lots.