

**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
PHEASANT RIDGE SUBDIVISION**

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**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
PHEASANT RIDGE SUBDIVISION**

THIS DECLARATION, made on the date hereinafter set forth by Commercial Mortgage, LLC, a South Carolina corporation having an office in Fountain Inn, South Carolina at 106 N. Weston Street, hereinafter referred to as "Declarant."

WITNESSETH:

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WHEREAS, Declarant is the owner of certain property in the County of Anderson, State of South Carolina, which is more particularly described on that certain plat recorded in ~~Book~~ 1849 Page 10 in the Register of Deeds Office for Anderson County. Subsequent Plats with additional lots will also be recorded and referenced in Deed.

NOW, THEREFORE, Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property (defined below) and be binding on all parties having any right, title or interest in the title to the Property or any part thereof, their heirs, successors and assigns, and shall insure to the benefit of each owner thereof.

**ARTICLE I
DEFINITIONS**

SECTION 1.1 "Additional Property" shall mean and refer to additional real estate contiguous, adjacent to or neighboring the Property, all or a portion of which may be made subject to the terms of this Declaration in accordance with the provisions of Section 10.5 (b) of this Declaration.

SECTION 1.2 "Approved Builder" shall mean and refer to builders who have been selected by Declarant to buy lots and construct homes for sale in the Subdivision.

SECTION 1.3 "Association" shall mean and refer to PHEASANT RIDGE SUBDIVISION HOMEOWNERS ASSOCIATION, INC., a South Carolina nonprofit organization, its successors and assigns.

SECTION 1.4 "Board" shall mean and refer to the board of directors of the Association.

SECTION 1.5 "Common Area and Roads" shall mean and refer to all real property shown and designated on the Plat as "Common Area," "Common Open Space" or "COS,"

Including, but not limited to (i) any real property or easements owned by the Association for the common use and enjoyment of the Owners, (ii) the Public Roads prior to their acceptance for public maintenance, and (iii) the Recreational Facilities, if any are constructed by the Developer or the Association. The Common Area shall be owned by the Association for the common use and benefit of the Owners, subject to the easements, terms, conditions and restrictions described in this Declaration.

SECTION 1.6 "Declarant" shall mean and refer to Commercial Mortgage, LLC, its successors and assigns.

SECTION 1.7 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions and Easements for PHEASANT RIDGE SUBDIVISION.

SECTION 1.8 "Eligible Mortgagee" shall mean and refer to an institutional lender holding a Mortgage (as defined below) that has notified the Association and requested all rights available under the Association's governing documents and this Declaration.

SECTION 1.9 "Lot" shall mean and refer to any separately numbered plot of land shown upon the Plat with the exception of Common Area.

SECTION 1.10 "Member" shall mean and refer to every person or entity that holds membership with voting rights in the Association.

SECTION 1.11 "Mortgage" shall mean and refer to any mortgage constituting a first lien on a lot.

SECTION 1.12 "Mortgagee" shall mean and refer to the owner and holder of a Mortgage at the time such terms is being applied.

SECTION 1.13 "Non-Member User" shall mean and refer to any person who is not a Member of the Association, but may use the Recreational Facilities promulgated by the Association.

SECTION 1.14 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including Declarant if it owns a Lot, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 1.15 "Plat" shall mean and refer to: (i) the plat of PHEASANT RIDGE SUBDIVISION recorded in Plat ~~34~~ ³¹ ~~DE~~ ^{DE} 1849 Page 10 in the Register of Deeds Office for Anderson County, and (ii) any revisions, additions, supplements or amendments thereof.

SECTION 1.16 "Public Records" shall mean and refer to any road(s) located within the Subdivision as shown on the Plat.

SECTION 1.17 "Property" shall mean and refer to the property shown on the Plat, including the Common Area and Lots.

SECTION 1.18 "Subdivision" shall mean and refer to PHEASANT RIDGE SUBDIVISION, as the same is shown on the Plat.

SECTION 1.19 "Common Open Space" shall mean land and/or water within or related to a cluster residential development, not individually owned, which is designed and intended for the common use or enjoyment of the residents of the development, or the public, which may contain such accessory structures and improvements as are necessary and appropriate for passive recreational purposes and utilities. As a condition for county approval of the cluster residential development, the common open space may not be further subdivided by the Declarant or the Homeowners Association.

ARTICLE II PROPERTY RIGHTS

SECTION 2.1 OWNERS' EASEMENTS OF ENJOYMENT Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions.

- (a) The right of the Association to permit the use of and to charge reasonable admission and other fees for the use of any Recreational Facility situate upon the Common areas and to impose reasonable limits upon the number of guests who may use these facilities;
- (b) The right of the Association to suspend the voting right and right to use of the Recreational Facilities by an Owner for any period during which any assessment against his Lot remains unpaid and for a period not to exceed sixty (60) days, for any infraction of its published rules and regulations (which suspension shall not relieve such Owner from its obligation to pay assessments as described in this Declaration);
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subjects to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication transfer is signed by two-thirds (2/3) of each class of members and has been recorded. Any common area would first need to be deeded to the Association by Commercial Mortgage, LLC.
- (d) The right of the Association to impose reasonable regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

- (e) The right of the Association, in accordance with its articles of incorporation and bylaws, to borrow money secured by a mortgage against the Common Area for the purpose of improving the Common Area and facilities thereon. No mortgage of the Common Area shall be effective unless an instrument agreeing to such mortgage of Common Area is signed by two thirds (2/3) of each class of members.
- (f) The right of the Association to exchange portions of Common Area with the Declarant for substantially equal areas of the properties for the purpose of eliminating unintentional encroachments of improvements onto portions of the Common Area ,or any other purpose or reason.

SECTION 2.2 DELEGATION OF USE Any owner may delegate, in accordance with the bylaws, his rights of enjoyment of the Common Area to the members of his family and their guests, his tenants or contract purchasers who reside on the Lot of such owner.

SECTION 2.3 LEASERS OF LOTS Any lease agreement between an Owner and a lessee for the lease for such owner's residence on its lot shall provide that the terms for the lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the articles of incorporation, bylaws of the Association and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease. All leases of Lots shall be in writing. Other than the foregoing, there is no restriction on the right of any owner to lease his lot.

SECTION 2.4 DECLARANT'S COVENANT TO CONVEY TITLE TO COMMON AREA Declarant herein covenants for itself, its successors and assigns, that it will convey fee simple title to its property designated herein as Common Area to the Association (save and accept Common Area that forms a part of any lot or the Public Roads) at such time as it conveys that first lot to some person other than Declarant. The Common Area shall be free from any monetary liens, but subject to easements of record, including any easements established by this Declaration and expressly subject to an easement in favor of the Declarant to construct Recreational Facilities on the Common Area that are approved by the Board and the Declarant elects to construct said facilities.

SECTION 2.5 TREES AND OTHER NATURAL VEGETATION The removal of trees and natural vegetation in the Common Area is permitted in the development phases for the purpose of utility easements, passive recreational use and drainage ways. Removal after development is complete, shall be in accordance with the Deeds of conveyance and appropriate governmental agencies.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS**

SECTION 3.1 MEMBERSHIP. Every owner of a Lot which is subject to a lien for assessments shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

SECTION 3.2 VOTING RIGHTS. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all owners other than the Declarant and Approved Builders. Class A Members shall be entitled to one (1) vote for each Lot owned. 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 as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B. The Class B Members shall be the Declarant and Approved Builders who shall be entitled to three (3) votes for each Lot they own. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events whichever occurs earlier:

- (a) the date on which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership and no Additional Property remains which may be made subject to the terms of this Declaration;
- (b) The expiration of ten (10) full years after the recordation of this Declaration; or
- (c) When Declarant and Approved Builder elect by notice to the Association in writing to terminate their Class B memberships.

**ARTICLE IV
COVENANT FOR MAINTENANCE AND ASSESSMENTS**

SECTION 4.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The Declarant, for each Lot owned within the Property, hereby covenants, and each owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to

pay (a) to the Association: (i) annual assessments or charges ("Annual Assessments"); (ii) special assessments for capital improvements ("Special Assessments"); and (iii) special individual assessments as more particularly described below ("Special Individual Assessments"); such assessments to be established and collected as hereinafter provided; and (b) to the appropriate governmental taxing authority: (i) a pro rate share of ad valorem taxes levied against the Common Area; and (ii) a pro rate share of assessments for public improvements to or for the benefit of the Common Area, (together with any late penalties therefore) if the Association shall default in the payment of either or both for a period of six (6) months as hereinafter provided. The Annual, Special and Special Individual Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon each Lot against which each assessment is made as of that date such assessment is made and continuing until paid. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to such Owner's successors in title (provided such successors are bona fide third party purchasers for value with no continuing relationship with Owner) unless expressly assumed by them.

SECTION 4.2 PURPOSE OF ASSESSMENTS

(a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and in particular for the improvement, maintenance and repair of facilities devoted to this purpose and related to the use and enjoyment of the Common Area (including the Recreational Facilities,) including but not limited to, the costs of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area; the maintenance of water mains in and upon the Common Area; the maintenance of open spaces and streets which have not been accepted for dedication by a public authority, roadway medians and islands (including medians and islands located in dedicated rights-of-way), drives and parking areas within the Common Area; the procurement and maintenance of insurance in accordance with the bylaws of the Association; the maintenance of any "sign easement" areas located on any Lot, as shown on a recorded plat; the maintenance of entrance ways, landscaping and lighting of Common Area, road medians and islands and entrance ways, the lighting of streets (whether public or private); the payment of charges of garbage collection and municipal water and sewer services furnished to the Common Area; the costs associated with duties of the Architectural Control Committee; the employment of attorneys, accountants, professional management companies and other agents to represent the Association when necessary; the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing paving, and any other major expense for which the Association is responsible pursuant to the terms of this Declaration. In addition to the foregoing, assessments made prior to the transfer of the Common Area property to the Association may be used for any of the above-described purposes in connection with such property prior to its transfer.

- (b) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the Property which the Association may be expressly obligated to maintain. Such reserve fund is to be established out of The Annual and Special Assessments.
- (c) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Common Area, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, The Articles of Incorporation and the bylaws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by the other owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto, or profits derived there from, shall be held for the benefit of the members, no member shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his lot. When an owner shall cease to be a member by reason of his divestment of ownership of his lot, by whatever means, the Association shall not be required to account to such owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such owner, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Common Area.

SECTION 4.3 MAXIMUM ANNUAL ASSESSMENT Until June 30, 2011, the maximum Annual Assessment shall be One hundred Dollars (\$120.00) per lot, and shall be collected annually and prorated from date of purchase.

- (a) The maximum Annual Assessment for the calendar year immediately following the year in which conveyance of the first lot to an owner is made and for each calendar year thereafter shall be established by the board and may be increased by the Board without approval by the membership by an amount not to exceed ten percent (10%) of the maximum Annual Assessment of the previous year.
- (b) The maximum Annual Assessment for the calendar year immediately following the year in which conveyance of the first lot to an owner is made and for each calendar year thereafter may be increased without limit by a vote of two thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The board may fix the Annual Assessment at an amount not in excess of the maximum, subject to the provisions of Section 4.6 of this Article.

SECTION 4.4. SPECIAL ASSESSMENTS.

(a) In addition to the Annual Assessment authorized above, the Association may levy, in any calendar year, a Special Assessment for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereof, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. All Special Assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

(b) In addition to the Annual Assessments and the Special Assessments for capital improvements authorized above, the Board shall have the power to levy a Special Individual Assessment applicable to any particular Lot Owner (i) for the purpose of paying the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Area, including the public roads (prior to their acceptance for public maintenance) and the Recreational Facilities, if any are constructed, whether occasioned by an act or omission of such Owner, Members of such Owner's family, or such Owner's agent, guest, employees or invitees and not as a result of ordinary wear and tear or (ii) for the payment of fines, penalties or other charges imposed against any Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the By-Laws or any rules and regulations promulgated by the Association or Declarant pursuant to this Declaration or the By-Laws. The due date of any Special Individual Assessment levied pursuant to this Section 4.4(b) shall be fixed in the Board's resolution authorizing such Special Individual Assessment. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least ten (10) days prior to the date such Special Individual Assessment is due.

SECTION 4.5 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER

SECTIONS 4.3 AND 4.4. Written notice of any meeting called for the purpose of taking any action (to the extent that a meeting is required hereby) under Section 4.3 or 4.4(a) shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast forty percent (30%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice, requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 4.6 RATE OF ASSESSMENTS. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and shall be collected on an annual basis or such other basis as is approved by the Board. The foregoing notwithstanding, there will be no Annual or Special Assessments for any Lot owned by Approved Builder and unoccupied as a residence. Special Individual Assessments shall be established, assessed and collected as described in Section 4.4(b).

SECTION 4.7 DATE AND COMMENCEMENT OF ANNUAL ASSESSMENT; DUE

DATES. The annual Assessments provided for herein shall commence on the first day of the month following the conveyance of each Lot. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each Annual Assessment period, the Board shall fix the amount of the Annual Assessment and promptly thereafter the Board shall cause written notice thereof to be sent to every owner subject thereto. In the event the Board shall fail to fix the amount of the Annual Assessments in advance of the Annual Assessment for any given period becoming due, the Annual Assessment fixed for the immediately preceding year shall continue in effect until a new Annual Assessment amount is fixed. The due dates shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

SECTION 4.8. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION.

Any Annual, Special or Special Individual Assessment not paid within thirty (30) days after its due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum or the highest rate allowed by law, whichever is lower. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of Mortgages, and interest, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

SECTION 4.9. EFFECT OF DEFAULT IN PAYMENT OF AD VALOREM TAXES OR ASSESSMENTS FOR PUBLIC IMPROVEMENTS BY ASSOCIATION.

Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to or for the benefit of the Common Area, which default shall continue for a period of six (6) months, each owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments (including any late payment penalties) in an amount determined by dividing the total taxes and/or assessments and/or penalties due the governmental authority by the total number of Lots in the development. If such sum is not paid by the owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at

law or may elect to foreclose the lien against the lot of the owner. This section shall not become applicable until Class B Membership ceases to exist.

SECTION 4.10 SUBORDINATION OF THE LIEN TO MORTGAGES The liens provided for herein shall be subordinate to the lien of any Mortgage. Sale or transfer of any lot shall not affect the assessment lien or liens provided for in the proceeding section. However, the sale or transfer of any lot which is subject to a Mortgage, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments to the payment thereof, which become due prior to such sale or transfer. No such sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any Mortgage.

ARTICLE V ARCHITECTURAL CONTROL

SECTION 5.1 PLAN OF DESIGN APPROVAL All mailboxes and mailbox supports shall be of a type and color as specified by Declarant. Otherwise, all residences, outbuildings and other structures initially constructed within the Subdivision by approved builder (collectively, "Initial Improvements") shall be built in accordance with plans and specifications, which have been previously approved by Declarant. Under no circumstances shall any additional architectural approval be required as to the initial improvements. Other than the initial improvements, no building, fence, wall, porch deck or any other structure or improvement, (collectively "Improvements") including, without limitation, the alteration or painting of the exterior surface of any existing improvement or initial improvement shall be undertaken upon any lot unless the plans and specifications and location of the proposed improvement shall have been expressly approved in writing by the Architectural Committee established pursuant to Section 5.2. No subsequent alteration or modification of any existing improvements, initial improvements or construction, erection or installation of additional improvements may be undertaken or allowed to remain on any lot without the review and express written approval of the Architectural Committee, subject to Section 5.5 below.

SECTION 5.2 ARCHITECTURAL COMMITTEE Until such time as the Class B membership expires, Declarant shall annually appoint the members of the Architectural Committee, which will be composed of at least three (3) members of the board, the exact number of members of the Architectural Committee being designated by Declarant from time to time. The Architectural Committee shall be initially composed of Melvin K. Younts, David W. Younts and Mike Stroud, an independent party that may be named by Declarant. Each member shall be generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for a high level of taste and design standards within the property. In the event of the death or resignation of any member of the Architectural Committee, Declarant, for so long as it has the authority to appoint the members of the Architectural Committee, and thereafter, the board shall have full authority to designate and appoint a successor. Members of the Architectural Committee may be removed and replaced at any time with or without cause.

prior notice, by Declarant, for so long as Declarant has the right to appoint the members thereof by the Board. Subsequent to the expiration of Class B membership (and earlier if Declarant specifically assigns this right to the Board), the Board shall designate the number of and appoint the members of the Architectural Committee on an annual basis. At any time Declarant may elect not to designate the number of and/or appoint the members of the Architectural Committee and may assign this right to the Board.

SECTION 5.3. PROCEDURE. No Improvement (other than the Initial Improvements as described above) shall be erected, remodeled or placed on any Lot until all plans and specifications therefor and a site plan therefor have been submitted to and approved in writing by the Architectural Committee, as to:

(a) Quality of workmanship and materials, adequacy of site dimensions and facing of main elevation with respect to nearby streets;

(b) Conformity and harmony of the external design, color, type and appearance of exterior surfaces;

(c) Location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and Improvements situated thereon and drainage arrangement; and

(d) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Architectural Committee, or matters in which the Architectural Committee has been vested with the authority to render a final interpretation and decision.

Final plans and specifications (including a site plan showing the location of the contemplated Improvements on the Site) for all Improvements proposed to be constructed on a Site shall be submitted to the Architectural Committee for approval or disapproval. The architectural Committee is authorized to request the submission of samples of proposed construction materials, any modification or change to the Architectural Committee-approved set of plans and specifications (specifically including, but without limitation, the above-described site plan) must again be submitted to the Architectural Committee for its inspection and approval. The Architectural Committee's approval or disapproval, as required herein, shall be in writing. Once the Architectural Committee has approved the plans and specifications for the proposed Improvements, the Construction of such Improvements must be promptly commenced and diligently pursued to completion and if such construction is not commenced within the time set therefore by the Architectural Committee in the written approval (but in no event later than one (1) year after such approval), such approval shall be deemed rescinded and before construction of Improvement can thereafter be commenced on the Lot in question, the plans and specifications therefore must again be approved by the Architectural Committee pursuant to this Article.

The Architectural Committee may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and shall carry forward the spirit and intention of this Declaration. Architectural standards bulletins or other guidelines issued by the Architectural Committee shall be used by the Architectural Committee as a guide to assist the Architectural Committee in viewing any proposed plans, specifications and materials submitted to the Architectural Committee for approval. Current copies of the architectural standards bulletins shall be available to interest persons at the principal office of the Association for a reasonable cost. Although the Architectural Committee shall not have unbridled discretion with respect to taste, designs and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand).

SECTION 5.4. ENFORCEMENT. In addition to the Declarant's and the Association's right to enforce the provisions of this Declaration as set forth in Section 10.1 of this Declaration, the Architectural Committee shall have the specific, nonexclusive right to enforce the provisions contained in this Article and/or in equity against the person or persons violating or attempting to violate any such provisions contained herein. In the event that the Architectural Committee, Declarant or the Association resorts to litigation to determine the propriety of any constructed Improvement, to remove any unapproved Improvement or otherwise to remedy a violation of this Article, the Architectural Committee, Declarant, or the Association, as applicable, shall be entitled to recover court costs, attorneys' fees and expenses incurred in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the offending Owner's Lot.

SECTION 5.5. EFFECT OF FAILURE TO APPROVE OR DISAPPROVE. If an Owner erects any Improvements on a Lot and a suit to enjoin the erection of or require the removal of such Improvements is not brought by any person or entity having standing to sue within three (3) months from the commencement of construction of such Improvements, then this Article shall be deemed to have been fully satisfied.

If the Architectural Committee fails to approve or disapprove the design of any proposed Improvements with thirty (30) days after plans and specifications therefor have been submitted and received, approval will not be required, and the requirements of this Article shall be deemed to have been fully satisfied; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Architectural Committee if they contain erroneous data or present inadequate information upon which the Architectural Committee can arrive at a decision. Notwithstanding the foregoing, the Architectural Committee shall have no right or power, either by action or failure to act, to waive or grant any variance relating to any mandatory requirements specified in the Declaration.

SECTION 5.6. RIGHT OF INSPECTION. The Architectural Committee shall have the right, at its election, to enter upon any of the Lots during (and after) preparation,

Construction, erection or installation of any improvements to determine that such work is being performed in conformity with the approved plans and specifications.

SECTION 5.7 LIMITATION OF LIABILITY Neither the Architectural Committee, the members thereof, nor Declarant shall be liable in damages or otherwise to anyone submitting plans and specifications and other submittal for approval or to any owner by reason of mistake of judgment, negligence or nonfeasance (except where occasioned by gross negligence or intentional conduct) arising out of services performed pursuant to this Declaration.

SECTION 5.8 COMPENSATION Members of the Architectural Committee may be entitled to compensation arising out of services performed pursuant to this Article. Any compensation would have to be approved by the Developer or Homeowners Association members, prior to entitlement by majority vote of the Association Members, at its annual or called meeting. The Association shall reimburse members of the Architectural Committee for reasonable out of pocket expenses incurred by such members in the performance of their duties as members of the Architectural Committee.

ARTICLE VI EXTERIOR MAINTENANCE

The Association shall maintain the Common Area. Each owner shall be responsible for the maintenance of his or her dwelling and lot. Maintenance of such dwelling and lot shall include, without limitation, painting, replacement and care of roofs, gutters, downspouts, exterior building surfaces, lawn, trees, shrubs, driveways, walks and other exterior improvements. In the event that the owner neglects or fails to maintain his or her lot and/or the exterior of his or her dwelling in a manner consistent with other lots and dwellings in **PHEASANT RIDGE SUBDIVISION**, the Association may, but is not obligated to provide such exterior maintenance as provided above at the Owner's sole cost and expense. Provided, however, that the Association shall first give written notice to the owner of the specific items of exterior maintenance or repair the Association intends to perform and the owner shall have twenty (20) days from the date of mailing of said notice within which to perform such exterior maintenance himself or herself. The determination as to whether an owner has neglected or failed to maintain his or her lot and/or dwelling in a manner consistent with other lots and dwellings in **PHEASANT RIDGE SUBDIVISION** shall be made by the board, in its sole discretion. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the association the right and easement to unobstructed vehicular and pedestrian access over and upon each lot at all reasonable times to perform maintenance as provided in this Article.

In the event the Association performs such exterior maintenance, repair or replacement, the cost of such maintenance, replacement or repairs shall be assessed to the owner as a Special Individual Assessment and shall become a lien against the lot of such owner.

ARTICLE VII USE RESTRICTIONS

SECTION 7.1 RESIDENTIAL USE OF PROPERTY All lots shall be used for single family, residential purposes only and no business or business activity shall be carried on or upon any lot at any time, except with the written approval of the board; provided however, that nothing herein shall prevent Declarant or approved builder from using any lot owned by Declarant or approved builder for the purpose of carrying on business related to the development improvement and sale of lots, and provided further that, to the extent allowed by applicable zoning laws, private offices may be maintained in dwellings located on any of the lots, so long as such use is incidental to the primary residential use of the dwellings.

SECTION 7.2 SETBACKS AND BUILDING LINES Each improvement, including all initial improvements, which shall be erected on any lot, shall be located within the building and setback lines for each lot as set forth on the Plat, or at least ten (10) feet from road right of way. No resident shall be nearer to any side lot line than five (5) feet. The rear building setback line for a residence shall be at least ten (10) feet. In no event shall any dwelling be erected and located upon any such lot in a manner which violates the requirements and provisions of any applicable zoning ordinances and subdivision regulations.

SECTION 7.3 WALLS AND FENCES No fences or wall shall be erected or placed in the front of any lot. No fence shall be erected, placed or altered in the rear or side of any lot unless approved in writing by the Architectural Control Committee pursuant to Article V above prior to the commencement of construction. No fence shall be constructed of chain link wire or similar metal on any portion of any lot, except black vinyl dipped fencing.

SECTION 7.4 SUBDIVISION OR COMBINATION OF LOT One or more lots or parts thereof may be subdivided and or combined with adjacent lots to form a single building lot when (i) such combination is permitted by all applicable laws and regulations and (ii) such combination is approved, in writing, by the board. In such event, the building line requirements provided herein shall apply to such lots as re-subdivided or combined and side line easements as shown on the plat shall be moved to follow the new side line so that the easement would run along the newly established side line.

SECTION 7.5 BUILDING REQUIREMENTS The heated living areas of the main structure, exclusive of open porches, garages, carports and breezeways, shall not be less than twelve hundred (1200) heated square feet for a single level house, sixteen hundred (1600) heated square feet for a one and one-half story house and eighteen hundred (1800) heated square feet for a two story house. Declarant reserves the right to increase or decrease the foregoing minimum square footage requirement with respect to all or any portion of the additional property provided the recorded instrument annexing such additional property establishes the increased or decreased minimum square footage requirement prior to or contemporaneous with the annexation of such additional property.

SECTION 7.6 OBSTRUCTION TO VIEW AT INTERSECTIONS. No part of any structure nor the lower branches of trees or other vegetation shall be permitted to obstruct the view at street intersections.

SECTION 7.7 DELIVERY RECEPTACLES AND PROPERTY

IDENTIFICATION MARKERS. The location, color, size, design, lettering, and all other particulars of receptacles for the receipt of mail, newspapers or similarly delivered materials, and of name signs for such receptacles as well as property identification markers shall be subject to the prior written approval of the Board or the Architectural Control Committee (as applicable). All objects above named must be of dark green in color, and of same style as approved. Property owner shall be responsible for cost and installation of these objects.

SECTION 7.8 USE OF OUTBUILDINGS AND SIMILAR STRUCTURES. No trailer, mobile home, modular home, shell home, camper, shack, tent, garage, barn or other structure of similar nature shall be used as a residence, either temporarily or permanently. This Section shall not be construed to prevent the Declarant or approved builder from using sheds, trailer, or other temporary structures during construction. No tree houses, storage sheds or playhouses shall be erected on any lot unless previously approved in writing by the Architectural Review Committee.

SECTION 7.9 COMPLETION OF CONSTRUCTION. The Association shall have the right to take appropriate legal action, whether at law or in equity, to compel the immediate completion of. (i) any initial residence not completed within one (1) year from the later of the date of the issuance of the building permit or the commencement of construction; and (ii) any improvement or landscaping (other than any Initial Improvement) not completed in accordance with Lot development plans and specifications approved by the Architectural Committee within twelve (12) months from the date of such commencement.

SECTION 7.10 LIVESTOCK. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other small household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes. Such household pets must not constitute a nuisance, or unreasonable threat to any Owner or cause unsanitary conditions. The number of household pets kept and maintained shall not exceed four (4) in number, except for newborn offspring of such household pets which are under nine (9) months of age, unless approved in writing by the Architectural Control Committee.

SECTION 7.11 OFFENSIVE ACTIVITIES. No noxious, offensive or illegal activities shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Owners of other Lots.

SECTION 7.12 SIGNS. No advertising signs or billboards shall be erected on any Lot. This restriction shall not apply to signs described in Section 8.2 and signs used to identify and advertise the subdivision as a whole during the development and construction period,

nor to signs for selling Lots and/or houses, provided such signs are approved by the Architectural Control Committee. Also, the provisions of this Article.

EMPTY

shall not apply to notices posted in connection with judicial or foreclosure sales conducted with respect to a Mortgage.

SECTION 7.13 AESTHETICS, SCREENING, POOLS AND UTILITY SERVICE

Clotheslines, garbage cans, wood piles and equipment, shall be located so they are not visible from the street. Any in ground pool must be screened with a fence a minimum of four (4) feet in height. Above ground pools are not permitted. All residential utility service and lines to residences shall be underground. No window air conditioning units shall be installed in any permitted dwelling without prior approval of the Architectural Committee. Outside heating and cooling units must be screened from the front street.

SECTION 7.14 ANTENNAE No radio or television transmission or reception towers or antennae shall be erected on any structure or within the property without the prior written approval of the Architectural Control Committee. In no event shall free standing transmission or receiving towers, satellite dishes or disks be permitted except for (i) satellite reception dishes which are eighteen inches (18") in diameter or less and (ii) are not visible from the front street.

SECTION 7.15 TRAILERS, TRUCKS, SCHOOL BUSES, BOATS, BOAT TRAILERS

No house trailers or mobile homes, school buses, trucks, trailers or commercial vehicles over one (1) ton capacity, junked vehicles, or vehicles on blocks shall be kept, stored or parked overnight either on any street or on any lot, except within enclosed garages. In addition, no vehicle of any kind may be kept, stored or parked on any non-paved area of a lot or common area. Notwithstanding the foregoing, passenger automobiles may be parked in driveways, if the number of vehicles owned by owner exceeds the capacity of the garage, but cannot be parked on any street overnight. The foregoing will not be interpreted, construed or applied to prevent the temporary nonrecurring parking of any vehicle, boat or trailer for a period not to exceed 24 hours upon any lot. Boats or boat trailers, motor homes, motorcycles and campers may be stored on lots in areas not visible to the front street.

SECTION 7.16 GARBAGE AND REFUSE DISPOSAL No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers designed for that purpose. All incinerators or other equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition. If such litter or other materials are found on any lot, the same will be removed by the lot owner of such lot, at the lot owner's expense, upon request of the Association.

SECTION 7.17 CHANGING ELEVATIONS No owner shall excavate or extract earth from any lot or common area for any business or commercial purpose. No elevation changes shall be permitted which materially affect surface grade of surrounding lots, unless approved in writing by the Architectural Control Committee. Provided that the foregoing restrictions shall not prohibit approved builder from grading and altering the

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elevation of any lot in connection with the construction of a residence upon such lot in conformity with the terms of this Declaration.

SECTION 7.18 SEWAGE SYSTEM Sewage disposal shall be through municipal system or individual septic system approved by appropriate state and local agencies.

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SECTION 7.19. WATER SYSTEM. Water shall be supplied through a municipal water system.

SECTION 7.20. UTILITY FACILITIES. Declarant reserves the right to approve the necessary construction, installation and maintenance of utility facilities, including but not limited to water, telephone and sewage systems.

SECTION 7.21 MODEL HOMES. Declarant, as well as Approved Builder, shall have the right to construct and maintain model homes on any of the Lots. "Model Homes" shall be defined as those homes used for the purpose of inducing the sale of other homes within the Property.

SECTION 7.22. DRIVEWAYS AND ENTRANCE TO GARAGE. All driveways and entrances to garages shall be concrete or other substance approved in writing by the Board or by the Architectural Control Committee and of a uniform quality.

SECTION 7.23. WAIVER OF SETBACK, BUILDING LINES AND BUILDING REQUIREMENTS. The Architectural Control Committee may, waive minor unintentional violations of the setbacks and building lines provided for in Section 7.2 and the building requirements provided for in Section 7.5. Such waiver shall be in writing and recorded in the Register of Deeds Office for Anderson County. A document executed by the Architectural Control Committee shall be, when recorded, conclusive evidence that the requirements of Section 7.2 and 7.5 have been complied with. The Architectural Control Committee may also handle violations of setback and boundary line by amending the Plat (provided the consent of any affected Owner is obtained). Nothing contained herein shall be deemed to allow the Architectural Control Committee to waive violations which must be waived by an appropriate governmental authority.

ARTICLE VIII EASEMENTS

SECTION 8.1. UTILITIES. Easements for installation and maintenance of utilities (including cable television service) and drainage facilities are reserved as indicated on the Plat. An easement is reserved over front, side, and rear Lot lines five (5) feet in width on each interior Lot for the installation, operation, and maintenance of utilities and for drainage purposes. On each Lot which abuts property other than that owned by Declarant, an easement five (5) feet in width on the front and side Lot lines and ten (10) feet in width on the rear Lot lines is reserved for the installation, operation and maintenance of utilities and for drainage purposes. Within these easements no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the drainage easements, or which may obstruct or retard the flow of water through drainage channels in the easements. An easement is hereby established for the benefit of Greenville County (and any other person or firm providing services to the Property under agreement with or at the direction of the

Association) over all Common Area as may be reasonably necessary for the setting, removal and reading of water meters, and the maintenance and replacement of water, sewer and drainage facilities and for the fighting of fires and collection of garbage. The Association shall have the power and authority to grant and establish upon, over and across the Common Area such additional easements as are necessary or desirable for the providing of service or utilities to the Common Area or Lots.

SECTION 8.2. SIGN EASEMENTS. Easements for the maintenance of subdivision signs and landscaping and lighting surrounding same are reserved as indicated on recorded plats. Declarant hereby grants, gives and conveys to the Association a perpetual, non-exclusive easement over any portions of Lots designated as sign easement(s)" or "landscape easement(s)" on the Plat, to maintain, repair and replace the subdivision signs which may be located thereon, as well as the lighting fixtures and any landscaping thereon. The costs of all such maintenance, repair and replacement shall be part of the common expenses of the Association, payable by the Owners as set out in Article IV hereof In addition to the easement granted above as to the portion of Lots designated "sign easements", or "Landscaping easements" Declarant hereby gives, grants and conveys to the Association the right of ingress, egress and regress over other portions of such Lots as shall be reasonably necessary to effectuate the purposes stated above.

SECTION 8.3. BINDING EFFECT. The easements granted and reserved in this Declaration shall run with the land in perpetuity and be binding upon and inure to the benefit of all persons and entities now owning or subsequently acquiring all or a part of the Property.

**ARTICLE IX
(INTENTIONALLY DELETED)**

**ARTICLE X
GENERAL PROVISIONS**

SECTION 10.1 ENFORCEMENT. The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter

imposed by the provisions of the Declaration, the Articles of Incorporation or bylaws of the Association. In the event that the Declarant, any Owner, or the Association resorts to litigation to remedy a violation of this Declaration, such Owner, Declarant, or the Association, as applicable, shall be entitled to recover court costs, attorneys' fees and expenses incurred in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the offending Owner's Lot. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the Properties to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

SECTION 10.2 SEVERABILITY. Invalidation of any one of the covenants or restrictions by judgment or court order shall not affect any other provision which shall remain in full force and effect.

SECTION 10.3 AMENDMENT. The covenants and restrictions of this Declarant shall run with and bind the land for term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless during the last year of such initial or then current renewal term the Owners of seventy-five percent (75%) of the lots agree in writing to terminate this Declaration at the end of such term. Subject to the additional requirements of Section 10.8 (if applicable) this Declaration may be amended during the first twenty (20) year period by an instrument signed by Members holding not less than seventy-five percent (75%) of the votes in the Association, and thereafter by an instrument signed by Members holding not less than sixty-seven percent (67%) of the votes in the Association. Any amendment must be properly recorded.

SECTION 10.4 FEDERAL LENDING REQUIREMENTS. Notwithstanding Section 10.3 above, Declarant may (at Declarant's option) amend and modify this Declaration without obtaining the consent or approval of the owners if such amendment or modification is necessary to cause this Declaration to comply with the requirements of the Federal Housing Administration, the Veterans Administration, Fannie Mae, or other similar agency.

Any such amendment must be with the consent and approval of such agency and must be properly recorded.

SECTION 10.5 ANNEXATION.

(a) Additional Property may be annexed to the Property and made subject to this Declaration by filing a supplemental declaration of record. Subject to subparagraph (b) below, such annexation must be approved by two-thirds (2/3) of each class of Members.

(b) Notwithstanding the above, Additional Property may be annexed by the Declarant without the consent of Members within seven (7) years of the date of this

instrument; provided, however, that should Declarant elect to improve and develop all or part of the Additional Property, Declarant shall have the right to impose covenants and restrictions which are the same as or similar to or not substantially different to those contained herein on all or part of the Additional Property.

SECTION 10.6 AMPLIFICATION. The provisions of this Declaration are amplified by the Articles of Incorporation and Bylaws of the Association, but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provisions of this Declaration on the one hand, and the Articles of Incorporation and Bylaws on the other, be interpreted, construed, and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles of Incorporation or Bylaws to the contrary, to the extent permitted by law.

SECTION 10.7 TOTAL OR PARTIAL DESTRUCTION OF IMPROVEMENTS. In the event of a total or partial destruction of any improvements on the Common Area, and if available proceeds of insurance carried pursuant to this Declaration are sufficient to cover eighty-five percent (85%) of the repair or reconstruction, the Common Area shall be promptly repaired and rebuilt unless within 120 days from the date of such destruction, seventy-five percent (75%) or more of the owners entitled to vote at a duly called meeting, determine that such reconstruction shall not take place. If the insurance proceeds are less than eighty-five percent (85%) of the cost of reconstruction, reconstruction may nevertheless take place if, within 120 days from the date of destruction, the Owners of seventy-five percent (75%) of the Lots elect to rebuild.

SECTION 10.8 LEASES OF LOTS. Any lease agreement between an Owner and a lessee for the lease of such owner's residence on its Lot shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the articles of incorporation and bylaws of the Association and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease. All leases of Lots shall be in writing. Other than the foregoing there is no restriction on the right of any owner to lease his Lot.

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SECTION 10.9 MAIL AND PAPER CONTAINERS. Mail and paper containers are to be uniformed in size, color and height for all homes. Same shall be provided by the homeowners in accordance with approved container by the Homeowners Association.

SECTION 10.10 PARKED LOCATION OF VEHICLES, BOATS, CAMPERS, ETC. All vehicles, boats, campers or any other mobile chattels may be stored only in the backyard of the residence, and not beyond the back wall of residence, or in garage with doors closed, except when in use.

SECTION 10.11 GARBAGE, DEBREE, STORAGE, AND GARAGE DOORS. All garbage and debree of any type, may only be put or stored inside of an approved garbage container, which is to be placed in back of the house, or garage. Contents must be removed from property and subdivision within seven days after stored.

Garage doors must be closed at all times, except when in use or vehicle is parked inside.

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IN WITNESS WHEREOF, the undersigned, has caused these presents to be executed in its corporate name by its officers thereunto duly authorized and its corporate seal properly attested to be hereto affixed on this the 13 day of July, 2010

Executed and declared
in the presence of

COMMERCIAL MORTGAGE, LLC

Jennifer Stetley
Witness

By: [Signature]
Melvin K. Younts
President

David B. Jones
Witness

STATE OF SOUTH CAROLINA

COUNTY OF ANDERSON Acknowledgment

Personally appeared before me the undersigned Notary who says on oath that (s)he saw the within named Corporation, by its duly authorized Officers, sign, seal and deliver the within written instrument.

Sworn to before me this 13
Day of July, 2010

Jennifer Stetley
Notary Public for South Carolina