



## TABLE OF CONTENTS

	PAGE
ARTICLE I - Definitions.....	5
Section 1    Definitions.....	5
ARTICLE II - Property Subject to This Declaration.....	7
Section 2.1    Property Subject to This Declaration.....	7
Section 2.2    Other Property.....	7
Section 2.3    Withdrawal of Property.....	7
ARTICLE III - Property Owners Association.....	8
Section 3.1    Nonprofit Corporation.....	8
Section 3.2    Membership.....	8
Section 3.3    Mergers.....	8
Section 3.4    Classes.....	8
ARTICLE IV - Assessment.....	9
Section 4.1    Purpose of Assessment.....	9
Section 4.2    Creation of the Lien and Personal Obligation for Assessments.....	9
Section 4.3    Late Charges.....	9
Section 4.4    Personal Liability.....	9
Section 4.5    Certificate of Payment.....	9
Section 4.6    Assessments.....	9
Section 4.7    Computation of Annual Assessments.....	9
Section 4.8    Special Assessments.....	10
Section 4.9    Lien for Assessments.....	10
Section 4.10    Priority.....	10
Section 4.11    Effect of Nonpayment of Assessment.....	10
Section 4.12    No Set Off or Deduction.....	11
Section 4.13    Application of Payments.....	11
Section 4.14    Date of Commencement of Assessments.....	11
Section 4.15    Capital Reserve Contributions.....	11
Section 4.16    Budget Deficits during Declarant Control.....	11
Section 4.17    Benefit Assessment.....	11
Section 4.18    Non-Resident Use of Common Property.....	12
Section 4.19    Inapplicability.....	12
ARTICLE V - Maintenance & Conveyance of Common Property to Association.....	12
Section 5.1    Association's Responsibility.....	12
Section 5.2    Owner's Responsibility.....	13
Section 5.3    Conveyance of Common Property by Declarant to Association.....	13
ARTICLE VI - Use Restrictions and Rules.....	14

Section 6.1	General.....	14
Section 6.2	Residential Use.....	14
Section 6.3	Sales/Construction Office.....	14
Section 6.4	Architectural Standards. 13	
Section 6.5	Use Restrictions .....	16
ARTICLE VII-Insurance and Casualty Losses.....		20
Section 7.1	Insurance on Common Property.....	20
Section 7.2	Liability Insurance.....	21
Section 7.3	Damage and Destruction-Insured by Owners.....	21
ARTICLE VIII-Mortgage Provisions.....		21
Section 8.1	Notices of Action.....	21
Section 8.2	No Priority.....	22
Section 8.3	Notice to Association.....	22
Section 8.4	Applicability of Section.....	22
Section 8.5	Amendments by Board.....	22
ARTICLE IX – Easements.....		22
Section 9.1	Easements for Use and Enjoyment. ....	22
Section 9.2	Easements for Utilities.....	23
Section 9.3	Easement for Drainage.....	23
Section 9.4	Easement for Entry.....	24
Section 9.5	Easement for Maintenance.....	24
Section 9.6	Easement for Entry Features.....	24
Section 9.7	Construction and Sale Period Easement. ....	24
Section 9.8	Irrigation Easements.....	25
Section 9.9	Fence Easement.....	25
Section 9.10	Easement for Encroachments.....	25
ARTICLE X- General Provisions.....		26
Section 10.1	Enforcement.....	26
Section 10.2	Intentionally Omitted.....	26
Section 10.3	Self-Help.....	26
Section 10.4	Duration.....	26
Section 10.5	Amendment.....	27
Section 10.6	Partition.....	27
Section 10.7	Gender and Grammar.....	27
Section 10.8	Severability.....	27
Section 10.9	Captions.....	28
Section 10.10	Indemnification.....	28
Section 10.11	Books and Records.....	28
Section 10.12	Financial Review.....	29
Section 10.13	Notice of Sale, Lease, or Acquisition.....	29
Section 10.14	Intentionally Omitted.....	29
Section 10.15	Implied Rights.....	29
Section 10.16	Conflicts.....	29

Section 10.17	No Mechanic's Liens.....	29
ARTICLE XI- Variances.....		29
ARTICLE XII- Dispute Resolution and Limitation on Litigation and Administrative Proceedings.....		30
ARTICLE XIII - Condemnation.....		32
Section 13.1	Partial Taking: Without Direct Effect on Lots...	32
Section 13.2	Partial or Total Taking: Directly Affecting Lots.....	32
Section 13.3	Notice to Mortgagees.....	33

**DECLARATION OF PROTECTIVE COVENANTS  
FOR  
CARRIAGE RUN SUBDIVISION**

**HOLLAND ROAD VENTURE, LLC**, a South Carolina Limited Liability Company ("Declarant"), makes this Declaration on this the 24 day of October, 2022

WITNESSETH

**WHEREAS**, Declarant is the owner of the real property described on Exhibit "A," attached to this Declaration; and

**WHEREAS**, Declarant desires to subject the real property described on Exhibit "A," to the provisions of this Declaration to create a community of Residential Townhomes;

**NOW THEREFORE**, Declarant hereby declares that the real property described on Exhibit "A" of this Declaration, including any improvements which may be (but are not required to be) constructed on that property, is subjected to the provisions of this Declaration. Such real property shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens contained in this Declaration. The provisions of the Declaration shall be binding on all persons having any right, title, or interest in all or any portion of the property now or hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof.

**ARTICLE I**  
**Definitions**

Section 1.1 Definitions. The following words, when used in this Declaration (unless the context shall prohibit), shall have the following meanings:

(a) "Area of Common Responsibility" shall mean the Common Property, together with such other areas, if any, for which the Association has responsibility pursuant to this Declaration, any recorded plat, other covenants, contracts or agreements.

(b) "Association" shall mean Carriage Run Homeowners Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

(c) "Board of Directors" or "Board" of the Association shall be the appointed or elected body, as applicable, having its normal meaning under South Carolina law.

(d) "Builder" shall mean any natural person, association, trust, or legal entity engaged principally in the business of constructing, for sale to homeowners, residential dwellings to whom the Declarant sells or has sold one (1) or more Lots for the purpose of constructing thereon a residential dwelling.

(e) "Bylaws" shall refer to the Bylaws of the Association.

(f) "Common Property" shall mean, if any, the real property (including property in the "open space"), interests (whether contractual, equitable or legal) in real property, and personal property, easements, and other interest, together with improvements located on that property (if any) which are now or are hereafter owned by the Association for the common use and enjoyment of some or all of the Owners including the storm drainage systems which serve the subdivision to the extent that they are outside dedicated rights of way and any areas within dedicated conservation easements.

(g) "Community" shall mean the real property and interests described on Exhibit "A", and such additions to that property as may be made by Declarant or by the Association pursuant to this Declaration.

(h) "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Community. The Board of Directors of the Association may more specifically determine such standard. Such determination must be consistent with the Community-Wide Standard originally established by the Declarant.

(i) "Declarant" shall mean that person or entity executing this Declaration as Declarant. The Declarant may appoint and designate a successor Declarant by designating such appointment or designation in a deed filed in the Office of the Greenville County Register of Deeds.

(j) "Declaration" refers to this document and shall include any Supplementary Declaration.

(k) "Exclusive Common Property" shall mean real property, interests in real property, and personal property, easements, and other interests, which the Association owns, and which are designated for the common use and enjoyment of less than all of the Owners.

(l) "Lot" shall mean any plot of land within the Community, whether or not improvements are constructed on that land, which constitutes or will constitute, after the construction of improvements, a Single-Family Attached Dwelling site as shown on a plat recorded in the Office of the Greenville County Register of Deeds. The ownership of each Lot shall include, and there shall pass with each Lot as an appurtenance thereto (whether or not separately described), all of the right, title, and interest of an Owner in the Common Property supporting said Lot and membership in the Association.

(m) "Member" shall mean and refer to every person who is a member of the Association.

(n) "Mortgage" means any mortgage, security deed, deed of trust, or similar instruments used for the purpose of encumbering real property in the Community as security for the payment or satisfaction of an obligation.

(o) "Mortgagee" shall mean the holder of a Mortgage.

(p) "Occupant" shall mean any Person occupying all or any portion of a Lot or other property located within the Community for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

(q) "Owner" shall mean the record owner, whether one or more Persons, of the fee simple title to any Lot located within the Community; excluding any Person holding such interest merely as security for the performance or satisfaction of any obligation.

(r) "Person" means a natural person, corporation, joint venture, partnership (general or limited), association, trust, or other legal entity.

(s) "Supplementary Declaration" means an amendment or supplement to this Declaration which places additional restrictions and obligations on the land described therein, or both.

(t) "Total Association Vote" means all of the votes attributable to members of the Association. If the Total Association Vote is taken during a time while Declarant has the right to appoint members of the Board of Directors, a Total Association Vote approving some item or proposition must contain the affirmative vote of Declarant or the item or proposition will be deemed not to have been approved.

## **ARTICLE II** **Property Subject to This Declaration**

Section 2.1 Property Subjected to This Declaration. The real property that is subject to the covenants and restrictions contained in the Declaration is the real property in Exhibit "A." and shown upon the final plat recorded in the Greenville County Register of Deeds Office under Plat Book 1447 and Page 0061-0061 (the "Final Plat").

Section 2.2 Other Property. Only the real property described in Section 2.1 is made subject to this Declaration. However, Declarant may subject additional property by recording one or more Supplementary Declarations.

Section 2.3 Withdrawal of Property. Declarant reserves the right to amend this Declaration during the Development Period for the purpose of removing any portion of the real property described in Exhibit "A" from the coverage of this Declaration. Such amendment shall not require the consent of any person other than the Owner of the property to be withdrawn, if not Declarant. If the property to be withdrawn is common property, the Association shall consent to such withdrawal, but no property shall be withdrawn if such withdrawal would violate any conservation easement requirements.

## **ARTICLE III** **Property Owners Association**

Section 3.1 Nonprofit Corporation. Carriage Run Homeowners Association, Inc. is a nonprofit corporation organized under the laws of the State of South Carolina. A Board of three (3) Directors who need not be Members of the Association shall manage the Association. Until the BVHA is formally turned over to the residents in accordance with the provisions of this document and the first annual meeting is held, the initial Board of Directors shall be, Holland Road Venture, LLC and their appointees. The Association may increase the size of the Board up to seven (7) Members by a majority vote of the Members. The initial mailing address of the Board shall be 4113 E. North Street, Greenville, SC 29615. Said Board shall be responsible for adopting and ratifying the Bylaws of the Association Included herein as "Exhibit B" and distributing the same to the Members thereof.

Section 3.2 Membership. Every person who is record Owner of a fee or undivided fee interest in any Lot that is subject to covenants of record and to assessment by the Association, including contract sellers, but excluding persons who hold an interest merely as security for the performance of any obligations, shall be a Member of the Association. Ownership of such interest shall be the sole qualification for such membership. No Owner shall have more than one membership in the Association and there shall be only one vote for each Lot in

the development. The Lot's vote shall be suspended in the event more than one Person seeks to exercise it. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot that is subject to assessment. The Board of Directors may make reasonable rules regarding proof of ownership.

Section 3.3 Mergers. To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the consent of two-thirds (2/3) of the entire Class A Membership and two-thirds (2/3) of the entire Class B Membership, if any.

Section 3.4 Classes. The Association shall have the following two classes of voting membership:

- (a) Class A. Class A Members shall be all Owners, with the exception of the Declarant. Class A Members shall be entitled to one 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 the Owners thereof determine, but in no event shall more than one vote be cast with respect to any Lot, and no fractional vote may be cast with respect to any Lot.
- (b) Class B. The Class B Member shall be the Declarant, and it shall be entitled to four (4) votes for each Lot in which it holds a fee or undivided fee interest, provided that 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:
  - (1) When the total votes outstanding in Class A membership (excluding Lots owned by Declarant) equals the total votes outstanding in Class B membership; or
  - (2) Upon declaration of the Declarant.

## **ARTICLE IV** **Assessments**

Section 4.1 Purpose of Assessment. The assessments provided for in this Declaration shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Lots, as may be authorized from time to time by the Board.

Section 4.2 Creation of the Lien and Personal Obligation for Assessments. Except as otherwise provided herein, each Owner agrees to timely pay to the Association: (a) annual assessments or charges; (b) special assessments; and (c) reasonable penalties as may be imposed in accordance with the terms of this Declaration.

Section 4.3 Late Charges. If not paid as and when due pursuant to the terms hereof, all assessments shall accrue late charges, interest (not to exceed the lesser of the maximum rate permitted by law or eighteen percent (18%) per annum on the principal amount due), and costs, including without limitation, reasonable attorney's fees and costs actually incurred. The assessments and charges shall be a continuing lien upon the Lot against which each assessment is made and shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due.



Section 4.4 Personal Liability. Each Owner shall be personally liable for the portion of each assessment coming due while the owner of a Lot, and each grantee of an Owner shall be jointly and severally liable for the assessments which are due at the time of conveyance; however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings.

Section 4.5 Certificate of Payment. The Association shall, within five (5) business days after receiving a written request, furnish a certificate signed by an officer of the Association or its appointee setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate shall be binding upon the Association as of the date of issuance. The Board shall have the right to impose a reasonable charge for providing this certificate.

Section 4.6 Assessments. Assessments shall be levied equally on all similarly situated Lots (subject to the terms hereof) and shall be paid in such manner and on such dates as may be fixed by the Board. The Board may allow assessments to be paid by periodic payments, and the Board shall have the right to accelerate any unpaid installments in the event an Owner is delinquent.

Section 4.7 Computation of Annual Assessments. The Board shall prepare a budget covering the estimated costs of operating the Association during the coming year, which may include a capital contribution or reserve. The Board shall cause the budget and the assessments to be mailed or delivered to each Member at least thirty (30) days prior to the end of the current fiscal year. The budget and the assessment shall become effective unless disapproved at a meeting by a majority of the Total Association Vote. In the event the membership disapproves the proposed budget, or the Board fails to establish a budget for the succeeding year, the budget in effect for the then current year shall continue for the succeeding year until changed by the Board. In the event the Board's budget is disallowed, the Board shall have the right to make a new budget retroactive to the start of the fiscal year. Until December 31, 2022, the maximum monthly assessment shall be One Hundred Forty Dollars (\$140.00) per Unit and may be collected monthly at the discretion of the Board. The maximum assessment for the calendar year immediately following the year in which conveyance of the first Unit to an Owner is made and for each calendar year thereafter shall be established by the Board of Directors and may be increased by the Board of Directors without approval of the membership by an amount not to exceed fifteen percent (15%) of the maximum assessment of the previous year. The maximum assessment for the calendar year immediately following the year in which conveyance of the first Unit to an Owner is made and for each calendar year thereafter may be increased without limit by a vote of 67% of the Class "A" Members at a meeting duly called for this purpose with final approval of the Class "B" Member.

Section 4.8 Special Assessments. In addition to the other assessments authorized by this Declaration, the Association may levy special assessments from time to time. Special Assessments must be approved at a meeting by two-thirds (2/3) of the Total Association Vote. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

Section 4.9 Lien for Assessment. All sums assessed against any Lot, Owner or member pursuant to this Declaration shall be secured by a lien on such Lot in favor of the Association.

Section 4.10 Priority. The lien of the Association shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes; (b) liens for all sums unpaid on a first priority Mortgage or any other Mortgage or security instrument filed prior in time to a lien of the Association, or (c) a lien arising by

virtue of any Mortgage in favor of Declarant which is duly recorded in the Office of the Greenville County Register of Deeds. All other Persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded shall be deemed to acknowledge that their liens shall be inferior to the lien of the Association for assessments in existence at that time or which arise in the future.

Section 4.11 Effect of Nonpayment of Assessment. Assessments (or installments) not paid when due shall be delinquent. Any assessment (or installment) which is delinquent for a period of more than ten (10) days shall incur a late charge in an amount set by the Board. If the Assessment is not paid within thirty (30) days, a lien shall attach and shall be evidenced by the filing of a Notice of Lien. The lien shall include all assessments then due or which come due until the lien is canceled of record, and any other amounts provided in this Declaration or permitted by law. In the event that the assessment remains unpaid after thirty (30) days, the Association may institute suit to collect such amounts and foreclose its lien. The Association shall have the right to foreclose its lien in the same manner as provided for the foreclosure of mortgage liens in South Carolina or through any other method allowed by law. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage or convey the same. The Association shall also have the right and option to proceed personally against any defaulting Owner to obtain a judgment for all unpaid assessments, penalties, and late charges which may be added thereto. In any action for collection of past due assessments or in the filing or foreclosure of a lien, the Association may also collect the costs of such collection, including reasonable attorneys' fees and costs.

Section 4.12 No Set Off or Deduction. No Owner may waive or otherwise exempt himself from liability for the assessments provided for in this Declaration. No setoff, diminution, or abatement of any assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action, for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. The obligation to pay assessments is a separate and independent covenant on the part of each Owner and is not subject to setoff.

Section 4.13 Application of Payments. All payments shall be applied first to costs (including reasonable attorney's fees), then to late charges, then to interest and then to delinquent assessments.

Section 4.14 Date of Commencement of Assessments. Assessments shall start on the day a Lot is conveyed to an Owner other than a Builder; however, the sale of a Lot to a contractor for the purpose of construction of a home shall not cause assessments to commence; in such an event, the first assessment shall be prorated and collected according to the number of days then remaining in that assessment period at the time the contractor sells the Lot to an Owner other than a Builder or the home is otherwise occupied.

Section 4.15 Capital Reserve Contributions. At the first closing of a Lot to a an Owner other than a Builder in accordance with the terms of Section 4.14 above, the purchaser shall be charged \$300.00 which shall be payable to the Association's Capital Reserve Fund and maintained in an account for the use and benefit of the Association. For each transfer/sale thereafter, the purchaser shall be charged \$50.00 which shall be payable to the Association's Capital Reserve Fund and maintained in an account for the use and benefit of the Association. The purpose of the fund is to ensure that the Association Board will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advanced payment of regular assessments. No such assessment may be used by the Declarant for the initial development of the subdivision's infrastructure or improvements, but such assessments may be used for utilities, maintenance and other reasonable expenses as deemed applicable by

Declarant up until such time as Declarant's Class B shares convert to Class A shares at which time the Association may review the Assessments in place and revise such amounts as needed.

Section 4.16 Budget Deficits During Declarant Control. For so long as the Declarant has the authority to appoint the directors and officers of the Association, Declarant shall:

- (a) advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association and the sum of the annual and special assessments collected by the Association in any fiscal year.

Section 4.17 Benefited Assessment. The Association shall have the power to levy benefited assessments against a particular Lot or Lots to cover the costs, including overhead and administrative costs, of providing services to the Lots upon request of an Owner pursuant to any menu of special services, which the Association may offer. By way of example, such services and facilities might include landscape maintenance, pest control service, trash collection, recycling, and similar services and facilities. The Association may levy benefited assessments in advance of providing the requested service.

Section 4.18 Non-Resident Use of Common Property. Any use of the Common Property by a person who does not qualify as an Owner or his tenant, guest, invitee, or family member shall be prohibited.

Section 4.19 Inapplicability. Notwithstanding anything to the contrary contained herein, neither Declarant nor any Builder shall be responsible for the payment of any general, special benefitted, or any other assessments

## ARTICLE V

### Maintenance & Conveyance of Common Property to Association

Section 5.1 Association's Responsibility:

- (a) The Association shall maintain in good repair the Common Property, including (without limitation) maintenance, repair, and replacement of all landscaping and improvements situated on the Common Property, including the land identified as open space and landscape buffers. All open space shall be maintained as a perpetual open space/conservation easement and shall not be used for any other purpose. Improvements on the land subject to this easement shall not be improved except for pedestrian activity and passive recreation. The open space shall not be divided.
- (b) The Association shall also maintain all entry features (including the expenses for water and electricity, if any, provided to all such entry features), and common areas; operate and maintain street lights (if not maintained and operated by a governmental entity or utility company) for the Community; maintain all storm water collection and detention facilities and easements serving the Community (that are not maintained by a governmental entity); maintain all private streets or roads; and all property outside of Lots located within the Community which was originally maintained by Declarant.
- (c) Subject to the Declaration, the declarant and its successors and assigns, including the Association, will own and maintain the Common area and all Stormwater Management

Facilities (structural and non-structural) located within the Common Area, including but not limited to, structural and non-structural Stormwater Management Facilities, buffers, low-impact development, and associated elements. Within these areas, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the performance of stormwater features, easements, buffer areas, or which may change the direction of flow of stormwater or drainage channels or obstruct or retard the flow of water through the stormwater features in these areas.

- (d) The Association shall maintain other property not owned by the Association, whether within or without the Community, including the yards of Owners (excluding, however, any portion of a residence or other improvements (other than irrigation systems) constructed on a Lot), where the Board has determined that such maintenance would benefit the Owners. This maintenance right and obligation shall include but not be limited to the right and obligation of the Association to install, repair, reset or control irrigation systems on Lots, to replace, maintain chemically treat, fertilize and control placement of foliage, shrubs, grass, mulch or other vegetation. Mulch shall be replaced annually and mowing, blowing, edging, and weed control shall be completed on an as needed basis to ensure a presentable appearance for the Community. The association shall have the right to remove and locks or other devices which prevent any maintenance right hereunder without liability to the Lot Owner. Owners (other than a Builder) may not alter, add to or change the original landscaping without consent of the ARC. Owner's may plant seasonal flowers or other type foliage, but the ARC and Association shall retain the right to have those items removed in the ARC's or Association's sole discretion.
- (e) The Association shall also own and maintain landscaping of that easement, buffer or berm area abutting any public right of way or adjoining property. Such maintenance shall include cutting grass and maintaining trees and shrubs initially installed by Declarant or installed by the Association.
- (f) In the event that the Association determines that the need for maintenance, repair, or replacement of property described in (a), (b), (c), or (d) above is caused through the willful or negligent act of an Owner, or the family, guests, lessees, or invitees of any Owner, and is not covered or paid for by insurance, in whole or in part, then the Association may perform such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs thereof shall be a special assessment against such Owner subject to the Association's lien and collection rights provided for in this Declaration.
- (g) All maintenance shall be performed consistent with the Community-wide Standard.
- (h) The Associations shall also be responsible for the streets and roads in the subdivision (to the extent not maintained by the County, State or Municipality).
- (i) The Association shall provide a termite bond and be responsible for maintaining annually.

Section 5.2 Owner's Responsibility. Except as provided otherwise in this Declaration or any Supplementary Declaration hereto, all maintenance of the Lot and all structures, parking areas, and other improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in a

manner consistent with the Community-Wide Standard and this Declaration. In the event that the Board determines that any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance, repair, or replacement of items for which such Owner is responsible, the Association may perform such maintenance, repair, or replacement for the Owner (excluding, however, the maintenance, repair, or replacement of any portion of a residence or other improvements (other than irrigation systems) constructed on the Lot) at the expense of the Owner. Except in an emergency situation, the Association shall give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair, or replacement, or, in the event that such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work, which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be an assessment and subject to the collection remedies of Section 4.11 for non-payment of an assessment. Owners shall be responsible to maintain, repair, replace and insure their entire unit except lawns. Owner's shall be responsible for the interior and exterior of their Unit and maintain a policy of hazard insurance to cover both. Proof of insurance must be provided to HOA annually by unit Owner.

Section 5.3 Conveyance of Common Property by Declarant to Association. The Declarant may convey to the Association any personal property, any improved or unimproved real property, leasehold, easement, or other property interest located within or adjacent to the Community. Such conveyance shall be accepted by the Association and acknowledged by a letter of acceptance (if requested) and the property shall thereafter be Common Property to be maintained by the Association for the benefit of all or a part of its members. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section. Upon written request of Declarant, the Association shall re-convey to Declarant any unimproved portions of the Common Property originally conveyed by Declarant to the Association for no (or nominal) consideration to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines.

## **ARTICLE VI** **Use Restrictions and Rules**

Section 6.1 General. This Section sets out certain use restrictions that must be complied with by all Owners and Occupants. These use restrictions may only be amended as provided in this Declaration. In addition, the Board may, from time to time, without consent of the members, promulgate, modify, or delete other use restrictions and rules and regulations applicable to the Community. Such use restrictions and rules shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, cancelled, or modified in a regular or special meeting by a majority of the Total Association Vote.

Section 6.2 Residential Use. All lots in the Carriage Run Subdivision shall be used for residential purposes exclusively. No business or business activity may be conducted on any of said Lots at any time except that a resident may have a home office so long as such business, in the sole discretion of the Board, does not create a disturbance, increase traffic flow, or parking congestion and complies with all applicable governmental regulations. Leasing of a Lot shall not be considered a business or business activity.

Section 6.3 Sales/Construction Office. The Declarant and/or its appointee and each Builder shall have the right to operate a sales office and a construction office from one or more Lots that it owns within Subdivision. Declarant and/or its appointee and each Builder may have one or more model homes within Subdivision which may be operated under a leasehold status or otherwise.

Section 6.4 Architectural Standards. No exterior construction, alteration, addition, or erection of any nature whatsoever shall be commenced or placed upon any part of the Community, except such as is installed by the Declarant, or as is approved in accordance with this Section, or as is otherwise expressly permitted herein. Except as provided above, no exterior construction, addition, erection, or alteration shall be made unless and until plans and specifications showing at least the nature, kind, shape, height, materials, and location shall have been submitted in writing to, and approved by, an Architectural Review Committee to be established by the Board. The Declarant shall retain all architectural control until such time as it no longer owns any lots in the subdivision and all dwellings contemplated to be built in the subdivision shall have received a Certificate of Occupancy.

- (a) The Architectural Review Committee (ARC) may be established such that it is divided into two (2) subcommittees, with one (1) subcommittee having jurisdiction over modifications and the other having jurisdiction over new construction.
- (b) The Board may employ architects, engineers, or other persons as it deems necessary to enable the Architectural Review Committee to perform its review.
- (c) The Architectural Review Committee may, from time to time, delegate any of its rights or responsibilities hereunder to one (1) or more duly licensed architects or other qualified Persons, which shall have full authority to act on behalf of the committee for all matters delegated.
- (d) Written design guidelines and procedures shall be promulgated for the exercise of this review, which guidelines may be provided for a reasonable fee.
- (e) So long as the Declarant owns any property for development or sale in the Community, the Declarant shall have the right to appoint all members of the Architectural Review Committee. Upon the expiration or earlier surrender in writing of such right, the Board shall appoint the members of the Architectural Review Committee.
- (f) An Owner must submit plans and specifications to the Architectural Review Committee in a form that is established by and acceptable to the Architectural Review Committee. A failure by the Architectural Review Committee to respond to any request or application shall not constitute a waiver, and no waiver by the Architectural Review Committee shall be effective unless it is in writing and signed by the Chairman of the Architectural Review Committee or the Chairman's designee. As a condition of approval under this section, each Owner, on behalf of such Owner and such Owner's successors-in-interest shall assume all responsibilities for maintenance, repair, replacement, and insurance to and on any change, modification, addition, or alteration. In the discretion of the Architectural Review Committee, an Owner may be made to verify such condition of approval by a recordable written instrument acknowledged by such Owner on behalf of such Owner and such Owner's successors-in-interest. The Architectural Review Committee shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these

restrictions. Any member of the Board or its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property to inspect for the purpose of ascertaining whether or not a violation of this Covenant exists. These Persons shall not be deemed guilty of trespass by reason of such entry. In addition to any other remedies available to the Association, in the event of noncompliance with this Section, the Board may, as provided in this Declaration, record in the appropriate land records a notice of violation naming the violating Owner.

- (g) Plans and specifications are not approved for engineering or structural design or quality of materials, and by approving such plans and specifications neither the Architectural Review Committee, the members thereof, nor the Association assumes liability or responsibility therefore, nor for any defect in any structure constructed from such plans and specifications. Neither Declarant, the Association, the Architectural Review Committee, the Board, nor the officers, directors, members, employees, and agents of any of them shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner or property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of, or in connection with, the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications and every Owner agrees that such Person or Owner will not bring any action or suit against Declarant, the Association, the Architectural Review Committee, the Board, or the officers, directors, members, employees, and agents of any of them to recover any damages and hereby releases, remises, quitclaims, and covenants not to sue for any claims, demands, and causes of action arising out of or in connection with any Judgment, negligence, or nonfeasance of said parties and hereby waives the provisions of any law, which provides that a general release does not extend to claims, demands, and causes of action not known at the time the release is given. Notwithstanding anything to the contrary contained herein, this Section 6.4 shall not apply to or be enforced against Declarant, Dan Ryan Builders (as hereinafter defined), or to modifications of the Common Property by the Association or its agents.

#### Section 6.5 Use Restrictions.

(a) Signs. No sign of any kind shall be erected by an Owner or Occupant (other than a Builder) within the Community without the prior written consent of the Architectural Review Committee, which consent shall be in its sole discretion. Any sign erected without such consent may be removed by the Architectural Review Committee or any member of the Board of the Association who shall have the right to enter any Lot for such purposes. Notwithstanding the foregoing, the Board, the Declarant, and each Builder shall have the right to erect reasonable and appropriate signs. Any signs required by legal proceeding may be erected upon any Lot. All "For Sale" "For Lease" or any other sign (except for those erected by a Builder) shall be approved by the ARC, and shall be uniform in nature and contain a standard Ivory colored paint background with Avery Shadow Blue lettering.

(b) Vehicles. The term "vehicles," as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go- carts, trucks, campers, buses, vans, and automobiles. Unless and except to the extent that the Occupants of a Lot shall have more vehicles than the number of parking areas serving their Lot, all vehicles shall be parked within such parking area. Where the Lot contains a garage, "parking area" shall refer to the

number of garage parking spaces. All single-family detached homes shall contain a two-car garage. Garage doors shall be kept closed at all times, except during times of ingress and egress from the garage.

1. No vehicle, boat, motor home, trailer, recreational vehicle, or trailer may be left within any portion of the Community for extended periods of time (but in no event for a period longer than five [5] days) or for shorter periods in a repetitive manner, in the reasonable discretion of the Board, unless it is stored in a garage or stored in another area designated or approved by the Board. Vehicles, boats, motor homes, trailers, or recreational vehicles which are either unlicensed or inoperable for a period of five (5) days or more may not be stored upon any portion of the Community at any time unless fully enclosed in a garage. Residents shall not park in the streets of the Community at any time and their guests/invitees shall not park in the streets of the Community for periods greater than 12 hours continuously for the purposes of visiting a resident or otherwise.

2. No unlicensed vehicle shall be left upon any portion of the Community, except in a garage or other area designated by the Board.

3. Such vehicles identified in (a) and (b) above must be removed by the Owner. The Association shall have the right to remove any such vehicle if not removed by the Owner within ten (10) days of notice, and the costs of such removal shall be an assessment against the Owner. Notwithstanding anything to the contrary contained herein, the restrictions in this Section 6.5(b) shall not apply to or be enforced against the Declarant or any Builder.

(c) Off Road. No motorized vehicles shall be permitted on pathways or unpaved Common Property except for construction vehicles (including, without limitation, any vehicles used in connection with the construction activities of any Builder within the Community), service vehicles, public safety vehicles and such other vehicles authorized by Declarant or the Board; notwithstanding the foregoing, in no event shall any motorized vehicles be permitted on Common Property that has been landscaped unless Declarant has provided prior approval thereof.

(d) Leasing. Lots in Neighborhoods designated for residential development may be leased only for residential purposes. All leases shall have a minimum term of at least six (6) months. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, Bylaws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the terms of the foregoing documents. Notwithstanding the foregoing, the restrictions in this Section 6.4(k) shall not apply to or be enforced against any lease entered into by Declarant or any Builder; provided, however, that any tenant under such lease shall nonetheless be obligated to comply with the terms of the Declarations, Bylaws, use restrictions, and rules of regulations of the Association.

(e) Occupants Bound. All provisions of the Declaration, Bylaws, and of any rules and regulations, use restrictions or design guidelines promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants even though Occupants are not specifically mentioned. Fines may be levied against



Owners or Occupants. If a fine is first levied against an Occupant and is not paid timely, the fine may then be levied against the Owner.

(f) Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any residential Lot, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs, which are household pets, shall be kept within a dwelling, enclosed yard, or a yard area bordered by an "invisible fence" designed for animal control, unless on a leash. No pet which has caused any damage or injury shall be walked in the community, whether on a leash or otherwise. All pets shall be registered, licensed, and vaccinated as required by law. Pets, which endanger health, make objectionable noise, or constitute a nuisance or inconvenience of the Owners or Occupants must be removed from the Subdivision by their owner upon request of the Board. The Board is authorized (but not required) to issue reasonable rules for the protection of all Owners in the Subdivision relating to the number and size of the pets, which may be kept on any numbered Lot. If the Board promulgates reasonable rules under this paragraph and a future Board changes the rules, pets existing at the time of the change shall be permitted to stay in the Subdivision. New or additional pets will have to comply with the new rule. Pet owners shall be required to remove animal wastes left by their pets from lots, common areas, and streets immediately.

(g) Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye. Nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the Occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community. Nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device (except such devices as may be used exclusively for security purposes) shall be located, installed, or maintained upon the exterior of any Lot unless required by law. Notwithstanding the foregoing, this Section 6.4(g) shall not apply to or be enforced against Declarant or any Builder within the Community.

(h) Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities (including, without limitation, the assembly and disassembly of motor vehicles and other mechanical devices) which might tend to cause disorderly, unsightly, or unkempt conditions shall not be pursued or undertaken in any part of the Community. Notwithstanding the foregoing, this Section 6.4(h) shall not apply to or be enforced against the construction, development, sales, leasing, and/or promotional activities of Declarant or any Builder within the Community.

(i) Antennas. Unless prohibited by law, no exterior antennas of any kind, including, without limitation, satellite dishes, shall be placed, allowed, or maintained upon any portion of

the Community, including any Lot, without the prior written consent of the Architectural Review Committee. Satellite dishes, which are standard colors and are eighteen inches or less shall be allowed, provided they are not prominently visible from the street, are installed upon or adjacent to a residence, and are integrated with the surrounding landscape. If an antenna is installed on the sides of the house, it shall not be placed in a position that from the street, it appears to be on the front of the house.

(j) Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas, including but not limited to fences which impede the flow of water. Declarant shall have the right to enter onto any Lot or other property within the Subdivision to remove any such obstruction or debris. No Owner or Occupant may alter, obstruct, or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains, the right to alter same being expressly reserved to Declarant.

(k) Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

(l) Garbage Cans, Woodpiles, Etc. All garbage cans (excluding garbage cans and other trash receptacles, containers, and/or dumpsters used (or to be used) by Declarant or any Builder in the course of its construction and/or development activities within the Community), woodpiles, hot tubs, spas, and related equipment, and other similar items (excluding construction materials, equipment, tools, and related items used (or to be used) by Declarant or any Builder in the course of its construction and/or development activities within the Community) shall be located or screened so as to be concealed from view of neighboring streets and property. Trash, garbage, debris, or other waste matter of any kind may not be burned within the Community except that Declarant may maintain a "burn pit" during development and construction of the Community prior to the occupancy of any residence on a Lot within the Community by an Owner (other than a Builder). The Association may require Owners to use one trash company for trash removal.

(m) Subdivision of Lot. No Lot shall be subdivided, or its boundary lines changed except with the prior written approval of the Architectural Review Committee. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations. Declarant's right to replat any Lot shall include the right to change the configuration of streets and otherwise make changes on the final plat for the Community as to how the streets and common areas in the Community are laid out.

(n) Guns. The use of firearms in the Community is prohibited. The term "firearms" includes shotguns, rifles, pistols, "BB" guns, pellet guns, paintball guns, and small firearms of all types.

(o) Fences. No fence or fencing type barrier of any kind shall be placed, erected, allowed, or maintained upon any Lot without the prior written consent of the Architectural Review Committee. The only approved fence material, height, and color shall be a 6' tall white

vinyl style fence. Notwithstanding the foregoing, the Declarant shall have the right to erect fencing of any type, at any location, on any Lot during the period that such Lot is owned by the Declarant. The Board of Directors shall have the right to erect fencing of any type considered appropriate or desirable by the Board at any location on the Common Property. Conditions regarding fences include:

- a. a 4' wide gate shall be required in order to receive the Association lawn maintenance
- b. gates are to be unlocked and pets are to be located indoors at the time of lawn maintenance
- c. yards shall be reasonably free of any and all stray items, including waste or debris, at the time of lawn maintenance
- d. any damages to fencing as a result of normal landscape maintenance activities shall not be the responsibility of the Association
- e. maintenance of fencing shall not be the responsibility of the Association. All fences shall be maintained by the Owner in a fully repaired and presentable manner.
- f. the Owner of a Lot with fencing (on such Lot) will be required to pay an additional \$10 in monthly assessments to cover the increased costs associated with landscaping.
- g. landscaping around fencing will be limited to grass trimming around the exterior and interior of the fence. Maintenance of mulch and flower beds will not be included.

(p) Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within The Community , except for temporary lines as required during construction, and lines installed by or at the request of Declarant.

(q) Air-Condition Units. No window air conditioning or heating units are allowed. In the event it is necessary to place an air conditioning pad and unit for a townhome built or to be built on any Lot in the Community on an adjoining Lot or Common Property, an easement is hereby granted by Declarant to the Owner of said Lot for the placement of an air conditioning pad and unit on the Lot or Common Property adjacent to the townhome Owner's Lot. This easement shall be limited to granting the Builder and subsequent Owner of such Lot a right to construct and maintain an air conditioning pad and unit on that section of the adjoining Lot or Common Property upon which the air conditioning pad and unit is placed, together with the right to enter the adjoining Lot or Common Property as necessary to maintain, repair and replace such air conditioning pad and unit.

(r) Lighting. Except as may be permitted by The Architectural Review Committee, exterior lighting visible from the street shall not be permitted except for (a) approved lighting as originally installed on a Lot; (b) streetlights in conformity with an established street lighting program for the Community; (c) seasonal decorative lights (but only for a period of time and in a manner consistent, in the opinion of the Architectural Review Committee, with the character of the Subdivision); or  
(d) front house illumination of model homes.

(s) Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any property. Exterior sculpture, fountains, flags, flag poles, and similar items must be approved by The Architectural Review Committee. Notwithstanding the foregoing, the restrictions in this Section 6.4(s) shall not apply to or be enforced against Declarant or any Builder.

(t) Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless they are an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Architectural Review Committee.

(u) Swimming Pools and Hot Tubs. No swimming pool shall be constructed, erected, or maintained upon any Lot except with the prior written approval of the Architectural Review Committee. Hot tubs and portable spas shall not be permitted without the prior written consent of the Architectural Review Committee. There shall be no above ground pools allowed.

(v) Gardens and Play Equipment. No vegetable garden, statuary, or play equipment (including, without limitation, basketball goals) shall be erected on any Lot without the prior written consent of the Architectural Review Committee, and any such items must be located between the rear dwelling line and the rear lot line.

(w) Mailboxes. All mailboxes and posts located on residential Lots shall be of uniform or similar style approved by the Architectural Review Committee. Each Owner shall maintain said mailboxes and posts. The Association shall have the right to require the use by all Owners of a central mail center.

(x) Exteriors. The Architectural Review Committee must approve any change to the exterior color of any improvement located on a Lot, including, without limitation, the dwelling. Notwithstanding the foregoing, the restrictions in this Section 6.4(x) shall not apply to or be enforced against Declarant or Dan Ryan Builders South Carolina, LLC (“Dan Ryan Builders”).

(y) Clothesline. No exterior clotheslines of any type shall be permitted upon any Lot.

(z) Exterior Security Devices. No exterior window bars shall be permitted on any residence or Lot.

(aa) Entry Features. Owners shall not alter, remove, or add improvements to any entry features constructed by the Declarant on any Lot, or any part of any easement area associated therewith without the prior written consent of the Architectural Review Committee.

**ARTICLE VII**  
**Insurance and Casualty Losses**

Section 7.1 Insurance on Common Property. The Board of Directors, as the duly authorized agent of the Association, shall have the authority to obtain insurance for all insurable improvements (whether or not located on the Common Property), which the Association is obligated to maintain.

Section 7.2 Liability Insurance. The Board shall obtain, if reasonably available, directors' and officers' liability insurance.

Section 7.3 Damage and Destruction-Insured by Owners. The damage or destruction by fire or other casualty to all or portion of any improvement on a Lot shall be repaired by the Owner and Association in accordance with each of their responsibilities thereof within seventy-five (75) days after such damage or destruction or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter.

**ARTICLE VIII**  
**Mortgage Provisions**

The following provisions are for the benefit of holders of first Mortgages on Lots in the Community. The provisions of this Section apply to both this Declaration and the Bylaws, notwithstanding any other provisions contained therein.

Section 8.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number, therefore becoming an "eligible holder") will be entitled to timely written notice of:

- (a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;
- (b) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by the Owner of the encumbered Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days;
- (c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

Section 8.2 No Priority. No provision of this Declaration or the Bylaws gives, or shall be construed as giving, any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to, or a taking of, the Common Property.

Section 8.3 Notice to Association. Upon request, each Owner (other than a Builder) shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 8.4 Applicability of Section. Nothing contained in this Section shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or South Carolina law for any or the acts set out in this Section.

Section 8.5 Amendments by Board. Should the Federal National Mortgage Association the Federal Home Loan Mortgage Corporation, U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs subsequently delete any of their respective requirements, which necessitate the provisions of this Section or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Section to be recorded to reflect such changes.

## **ARTICLE IX**

### **Easements**

#### Section 9.1 Easements for Use and Enjoyment.

- (a) Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property and Private Roadways, which shall be appurtenant to and shall pass with the title to each Lot, subject to the following provisions:
- (1) the right of the Association to limit the number of guests of Lot Owners and tenants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his family, tenants, guests, and invitees;
  - (2) the right of the Association to suspend the voting rights of a Lot Owner and the right of an Owner to use the recreational facilities available for use by the Community, if any, after notice and opportunity to be heard, for any period during which any assessment against such Owner's Lot which is hereby provided for remains unpaid for a period of thirty (30) days or longer; and, for a reasonable period of time (not to exceed sixty (60) days) for an uncured infraction of the Declaration, Bylaws, or rules and regulations;
  - (3) the right of the Association to borrow money for the purpose of improving or maintaining the Common Property, or any portion thereof, and to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property; provided, however, the lien and encumbrance of any such Mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community. Any such Mortgage on the Common Property shall be subject to approval by at least two-thirds (2/3) of the Total Association Vote (excluding votes held by the Declarant). Any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights therein by the

holder thereof in the event of a default hereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community;

- (4) the right of the Association to dedicate or grant licenses, permits or easements over, under and through the Common Property to governmental entities for public purposes; and
  - (5) the right of the Association to dedicate or transfer all or any portion of the Common Property subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by the affirmative vote of at least two-thirds (2/3) of the Total Association Vote excluding votes held by the Declarant.
- (b) Delegation. Any Lot Owner may delegate such Owner's right of use and enjoyment in and to the Common Property and facilities located thereon to the members of such Owner's family in residence and to such Owner's tenants and guests and shall be deemed to have made a delegation of all such rights to the occupants of such Owner's lot, if leased.

Section 9.2 Easements for Utilities. There is hereby reserved to the Declarant and the Association blanket easements upon, across, above and under all property within the Community, including all Lots, for access, ingress, egress, installation, repairing, replacing and maintaining all utilities serving the Community or any portion thereof. This easement shall include, without limitation, gas, water, sanitary sewer, telephone, electricity, cable television, security, as well as storm drainage and any other service or system which the Declarant or the Association might decide to have installed to service the Community. It shall be expressly permissible for the Declarant, the Association, or the designee of either, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, pipes, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility service request a specific license or easement by separate recordable document, the Declarant or the Board, as the case may be, shall have the right to grant such easement.

Section 9.3 Easement for Drainage. Declarant hereby reserves a perpetual easement across all Community property for the purpose of altering drainage and water flow across all Community property. This right shall include, but is not limited to, altering swales, installing drains, drainage ditches, pipes, inlets, headwalls, and altering channeling, or piping water flow across any Lot or any property in the Community. Rights exercised pursuant to this reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 9.4 Easement for Entry. In addition to the other rights reserved to Declarant and the Association, the Declarant or the Association shall have the right (but not the obligation) to enter upon any property or Lot within the Community for emergency, security, and safety reasons. This right may be exercised by the Declarant or its designee, any officer of the Board, and all governmental employees, policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency

situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. This right of entry shall include the right of the Board to enter to cure any condition, which may increase the possibility of a fire, slope erosion, or other hazard or condition in the event an Owner or Occupant fails or refuses to cure the condition upon request by the Board.

Section 9.5 Easement for Maintenance. Declarant hereby expressly reserves a perpetual easement for the benefit of Declarant or the Association across such portions of the Community, determined in the sole discretion of the Declarant and the Association, as is necessary to allow for the maintenance required by this Declaration. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Owners' property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 9.6 Easement for Entry Features. There is hereby reserved to the Declarant and the Association an easement for ingress, egress, installation, construction, landscaping and maintenance of entry features and similar streetscapes for the Community, over and upon each Lot as more fully described on the recorded subdivision plats for the Community. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around such entry features and the right to grade the land under and around such entry features.

Section 9.7 Construction and Sale Period Easement. Notwithstanding any provisions contained in the Declaration, the Bylaws, Articles of Incorporation, use restrictions, rules and regulations, design guidelines, and any amendments thereto, until Declarant's right unilaterally to subject property to this Declaration terminates and thereafter so long as Declarant and/or any Builder owns any property in the Community for development or sale, Declarant and/or such Builder(s) shall have an easement across the Community for Declarant and/or such Builder(s) to maintain and carry on construction or development upon such portion of the Community. This reserved easement shall include an easement for such facilities and activities, which may be required, convenient, or incidental to the development, construction, and sales activities related to property within or near the Community.

This easement shall include without limitation:

- (a) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in any portion of the Community as well as any Lot in the Community;
- (b) the right to tie into any portion of the Community with driveways, parking areas, and walkways;
- (c) the right to tie into or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device, which provides utility or similar services;
- (d) the right (but not the obligation) to construct recreational facilities on Common Property;
- (e) the right to carry on sales and promotional activities in the Community;
- (f) the right to place direction and marketing signs on any portion of the Community, including any Lot or Common Property;



- (g) the right to construct and operate business offices, signs, construction trailers, model residences, and sales offices incidental to the construction, development and sales activities;
- (h) Declarant and/or any such Builder(s) may use residences owned or leased by Declarant and/or such Builder(s), respectively, as model residences and sales offices, and may also use recreational facilities available for use by the Community as a sales office or for marketing purposes without charge. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, and reasonable steps shall be taken to protect such property from damage. The person causing the damage at its sole expense shall repair any damage. This section shall not be amended without the Declarant's express written consent until the Declarant's rights hereunder have terminated as provided in this Declaration.

Section 9.8 Irrigation Easements. There is hereby reserved to the Declarant and the Association a blanket easement to drill a water well on the Common Property within the Community for irrigation purposes and/or to maintain the Community Irrigation System and the Association shall have the right to control irrigation cycles on all lots conveyed.

Section 9.9 Fence Easement. Declarant hereby reserves an easement across any Lot which borders upon or contains a portion of any water facility, detention pond, or retention pond for the purpose of access to such facility or pond, and for the purpose of erecting any fence which is either required by the subdivision development and construction plans or governmental regulation, rule, ordinance, or plan approval requirement.

Section 9.10 Easement for Encroachments. Notwithstanding anything to the contrary contained herein, in the event that any structure erected on a Lot encroaches upon any other Lot or the Common Property, and such encroachment was not caused by the purposeful act or omission of the Owner of such Lot, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Common Property or other Lot for so long as such encroachment shall naturally exist. In the event that any structure erected principally on the Common Property encroaches upon any Lot, then an easement shall exist for the continuance of such encroachment of such structure onto such Lot for so long as such encroachment shall naturally exist. The foregoing shall not be construed so as to allow any extension or enlargement of any existing encroachment or to permit the rebuilding of the encroaching structure, if destroyed, in a manner so as to continue such encroachment, except such encroachment as was in existence as of the date of conveyance of the Lot to an Owner other than the Declarant.

## **ARTICLE X** **General Provisions**

### Section 10.1 Enforcement.

(a) Each Owner and Occupant shall comply strictly with the Bylaws, the rules and regulations, the use restrictions, as they may be lawfully amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration and any such restrictions which may be placed in the deed to such Owner's Lot, if any. Since violation of the covenants by an Owner causes damages to the Association and in recognition that such damages may be difficult to calculate, the Board may impose as liquidated damages the amount of \$50 per day from the time notice of non-compliance is delivered by the Association to an Owner until such violation has been cured (provided, however, that any such liquidated damages relating to

the non-compliance of/violation of the covenants by Dan Ryan Builders shall not exceed \$5 in aggregate, irrespective of the duration or number of non-compliance events/violations of the covenants), which shall be collected as provided herein for the collection of assessments in Section 4.11 including, but not limited to its remedies and provisions for legal fees and costs associated with the same. The Failure to comply with this Declaration, the Bylaws or the rules and regulations shall be grounds for an action to recover sums due for such liquidated damages or injunctive relief, or both, maintainable by the Board of Directors, on behalf of the Association, or in a proper case, by an aggrieved Owner. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Board shall have the right to record in the appropriate land records a notice of lien, a notice of violation of the Declaration, Bylaws, rules and regulations, use restrictions, or design guidelines and to assess the cost of recording and removing such notice against the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

Section 10.2 Intentionally omitted.

Section 10.3 Self-Help In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon any Lot or any other portion of the Community to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, the Bylaws, the rules and regulations, or the use restriction. Unless an emergency situation exists, the Board shall give the violating Lot Owner ten (10) days written notice of its intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after reasonable notice. All costs of self-help, including reasonable attorney's fees, shall be assessed against the violating Lot Owner and shall be collected as provided for herein for the collection of assessments.

Section 10.4 Duration. The covenants and restrictions of this Declaration shall run with and bind the Community for a term of 20 years from the date this Declaration is recorded, and shall inure to the benefit of and shall be enforceable by Declarant, the Association or any Owner, their respective legal representatives, heirs, successors, and assigns. Said covenants and restrictions shall be automatically extended for successive periods of (10) years each, unless a written instrument reflecting disapproval signed by the then Owners of three-fourths (3/4) of the Lots and the Declarant (if the Declarant still owns any property in the Community or has the right to annex additional property) is recorded within the year immediately preceding the beginning of a ten (10) year renewal period.

Section 10.5 Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, the Department of Housing and Urban Development, the Veterans Administration, or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage Loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless any such Lot Owner shall consent in writing. Further, so long as Declarant has the right unilaterally to subject additional property to this Declaration, Declarant may unilaterally amend this Declaration for any other purpose; provided,

however, any such amendment shall not materially adversely affect the substantive rights of any Lot Owners hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Lot Owner.

In addition to the above, this Declaration may be amended:

- (a) for so long as the Declarant owns any property in the Community or has the right to annex additional property, with the affirmative written consent of the Declarant and upon the affirmative vote or written consent, or any combination thereof, of the Owners of at least two-thirds (2/3) of the Lots;
- (b) if the Declarant no longer owns any Property in the Community and no longer has the right to annex additional property, upon the affirmative vote or written consent, or any combination thereof, of the Owners of at least two-thirds (2/3) of the Lots. Notwithstanding anything to the contrary herein, in the event that Dan Ryan Builders shall become a "Builder" as defined herein, as long as Dan Ryan Builders owns at least one (1) Lot, the prior written consent of Dan Ryan Builders shall be obtained prior to any Amendment which would materially reduce or limit Dan Ryan Builders' rights, or materially increase Dan Ryan Builders' obligations hereunder. The foregoing shall not apply to any Builder other than Dan Ryan Builders.

Section 10.6 Partition. The property identified as open space shall remain undivided and maintained as permanent open space in perpetuity. No Owner or any other Person shall bring any action for partition or division of the whole or any part thereof.

Section 10.7 Gender and Grammar. The singular, wherever used herein, shall be constructed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 10.8 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end, the provisions of this Declaration are declared to be severable.

Section 10.9 Captions. The captions are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

Section 10.10 Indemnification. To the fullest extent allowed by applicable South Carolina law, the Association shall indemnify every officer of the Association and director of the Association against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by an officer or director in connection with any action, suit, or other proceeding to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to

which any officer or director, or former officer or director, may be entitled. This indemnification shall also include attorney's fees and expenses incurred in enforcing this indemnification. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

Section 10.11 Books and Records.

- (a) Inspection by Members and Mortgagees. This Declaration, the Bylaws, copies of rules and use restrictions, membership register, books of account, and minutes of meetings of the members of the Board and of committees shall, upon reasonable notice, be made available for inspection and copying by Declarant or any member of the Association or by the duly appointed representative of any member and by holders, insurers, or guarantors of any first mortgage at any reasonable time and for a purpose reasonably related to such person's interest as a member or holder, insurer, or guarantor of a first mortgage at the office of the Association or at such other reasonable place as the Board shall prescribe.
- (b) Rules for Inspection. The Board shall establish reasonable rules with respect to: (1) notice to be given to the custodian of the records; (2) hours and days of the work when such an inspection may be made; and (3) payment of the cost of reproducing copies of documents.
- (c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extra copies of documents at the reasonable expense of the Association.

Section 10.12 Financial Review. A review of the books and records of the Association shall be made annually in the manner as the Board may decide; provided, however, after having received the Board's financial statements at their annual meeting, by a majority of the Total Association Vote, the Owners may require that the accounts of the Association be audited as a common expense by a certified public accountant. Upon written request of any institutional holder of a first mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of audited financial statements within ninety (90) days of the date of the request.

Section 10.13 Notice of Sale, Lease, or Acquisition. For each Lot conveyed to or leased by an Owner (other than a Builder), the purchaser or lessee of the Lot shall give to the Association, in writing, prior to the effective date of such sale or lease, their name(s) and such other information as the Board may reasonably require (including, without limitation, their mailing address).

Section 10.14 Intentionally omitted.

Section 10.15 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

Section 10.16 Conflicts. In the event of any irreconcilable conflict between this Declaration and the Bylaws of the Association, the provisions of this Declaration shall control. In the event of any irreconcilable

conflict between this Declaration or the Bylaws of the Association and the Articles of incorporation of the Association, the provision of the Articles shall control.

Section 10.17 No Mechanic's Liens. No Owner shall have the right to subject any portion of any Owner's Lot or residence or any part of the Community other than its own Lot or residence to any lien for goods, labor, or materials supplied at the request of said Owner, and no person performing services, labor, or materials or goods to or for said Owner shall have any right of lien with respect to any other Owner's Lot or residence or the remaining portions of the Community. Each Owner shall keep the Lot of any other Owner and the Community free of all mechanic's liens or claims resulting from goods, labor, or materials supplied at the request of said Owner and, upon written request, said Owner will take all steps necessary, including obtaining a bond in favor of the claimant, for the removal of the mechanic's lien from the other Owner's Lot or property constituting the Community.

### **ARTICLE XI** **Variances**

Notwithstanding anything to the contrary contained herein, the Declarant and the Board or its designee shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws and any rule, regulation or use restriction promulgated pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Community.

### **ARTICLE XII** **Dispute Resolution and Limitation on Litigation and Administrative Proceedings**

- (a) Agreement to Avoid Costs of Litigation and to Limit Rights to Litigate Disputes. The Association (including, without limitation, the Board), Declarant, the Architectural Control Committee, the Owners, and Builders (collectively, "Bound Parties") agree to submit to this Article XII and agree to encourage the amicable resolution of disputes involving the Community (including, without limitation, the Lots and any residential dwellings constructed thereon) and/or this Declaration (including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application, or enforcement of this Declaration, the Bylaws, the Association rules or Articles of Incorporation, or the construction of (or any alleged defect(s) relating to the construction of) any improvement or residential dwelling by any Builder (each a "Claim" and collectively "Claims")) in order to avoid the emotional and financial costs of litigation. Accordingly, to the extent permitted under applicable law, each Bound Party covenants and agrees that all Claims, except for Exempt Claims as authorized in Article XVI, 13(b), shall be resolved using the procedures set forth in Article XVI, 13(c) prior to initiating any judicial or administrative proceeding(s) seeking redress or resolution of such Claim.
- (b) Exempt Claims. The following Claims ("Exempt Claims") shall be exempt from the dispute resolution procedures of this Article XII:

Any judicial or administrative proceeding by the Association against any Bound Party to enforce the provisions relating to fines or Assessments;

Any judicial or administrative proceeding by the Association to obtain a temporary restraining order or equivalent emergency equitable relief and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions relating to architectural control or use restrictions;

Any suit in which any indispensable party is not a Bound Party;

Any judicial or administrative proceeding by Builder or Declarant against one another;

Any suit between Owners which does not include another Bound Party as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Declaration and such other governing documents.

With the consent of all parties thereto, any of the above may be submitted to the dispute resolution procedures of this Article XII.

- (c) **Mandatory Procedures for All Other Claims.** All claims other than Exempt Claims shall be resolved using the following procedures:

**Notice.** Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent"), other than an Exempt Claim, shall notify each respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

The nature of the Claim, including date, time, location, persons involved and respondent's role in the Claim;

The legal basis of the Claim (i.e., the provisions of the Declaration, the Bylaws, the Articles or rules or other authority out of which the claim arises, construction defects, etc.);

What Claimant wants Respondent to do or not to do to resolve the Claim; and

That Claimant wishes to resolve the Claim by mutually agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

**Negotiation.** Each Claimant and Respondent (the "Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by negotiation.

**Mediation.**

- (1) If the Parties do not resolve the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation under the auspices of any dispute

resolution center or other such independent agency providing similar services in the same geographical area upon which the Parties may mutually agree, or, if they cannot agree, a similar agency designated by the closest chapter of the Community Associations Institute.

- (2) If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, or Claimant does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such claim; provided, nothing herein shall release or discharge Respondent from any liability to persons not a Party to the foregoing proceedings.
- (3) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“Termination of Mediation”). The Termination of Mediation notice shall set forth when and where the Parties met, that the parties are at an impasse, and the date that mediation was terminated.

**Litigation or Administrative Proceedings.** Prior to commencement of any litigation or administrative proceedings by a Bound Party regarding a Claim (other than an Exempt Claim), all of the Parties shall engage in negotiation and mediation as set forth in Article XII, Section (c) above. The Association shall not commence a judicial or administrative proceeding for any Claim, other than an Exempt Claim, without the affirmative vote of at least seventy-five percent (75%) of the Owners prior to the institution of such judicial or administrative proceedings. In the event that any judicial or administrative proceeding is filed without the approval required herein, then the Bound Party against whom the judicial or administrative proceeding was filed shall have the right to require such proceeding be dismissed. No amendment to Article XII shall be effective unless such amendment is (i) approved in writing by the Declarant and all Builders; and (ii) approved by more than the percentage of Owner votes, and pursuant to the same procedures, necessary to institute judicial or administrative proceedings pursuant to this Article XII.

Venue with respect to any litigation instituted by a Bound Party regarding a Claim (other than an Exempt Claim) shall only be with the state courts in the State and County in which this document is recorded or the federal courts serving such State and County.

**Costs, Expenses, and Attorney’s Fees.** Each Bound Party shall bear its own costs, expenses, and attorneys’ fees in connection with any Claim, including, without limitation, any negotiation, mediation, and/or judicial or administrative proceedings related to any Claim.

### **ARTICLE XIII** **Condemnation**

Section 13.1. Partial Taking: Without Direct Effect on Lots. If any part of the property located within the Community shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and on account of the taking of the Common Property, exclusive of compensation for consequential damages to certain affected Lots, shall be paid to the Board in trust for all Owners

and their Mortgagees according to the loss or damages to their respective interests in such Common Property. The Association, acting through the Board, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Property, without limitation on the right of the Owners to represent their own interests. Each Owner, by acceptance of a deed to a Lot, hereby appoints the Board as attorney-in-fact to negotiate, litigate or settle on his behalf all claims arising from the condemnation of the Common Property. Such proceeds shall be used to restore the Common Property with the excess, if any, to be retained by the Association and applied to future operating expenses by the Board, in its sole discretion. Owners whose Lots are specifically affected by the taking or condemnation shall not be prevented from joining in the condemnation proceedings and petitioning on their own behalf for consequential damage relating to loss of value of the affected Lots or improvements, fixtures or personal property thereon, exclusive of damages relating to the Common Property. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between affected Owners and the Association, as their interests may appear, by the Board, in its sole discretion.

Section 13.2. Partial or Total Taking: Directly Affecting Lots. If any part of the property located within the Community shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or a part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to Common Property as provided in Section 13.1 and the proceeds shall be payable as outlined therein. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. All compensation and damages for and on account of the taking of anyone or more of the Lots or improvements, fixtures or personal property thereon, shall be paid to the Owners of affected Lots and their Mortgagees, as their interests may appear. If all of the property located within the Community shall be taken such that the Association no longer has reason to exist and shall thereafter be dissolved and/or liquidated, all compensation and damages for and on account of the taking of the Common Property shall be distributed with the other assets of the Association in accordance with the Articles of Incorporation.

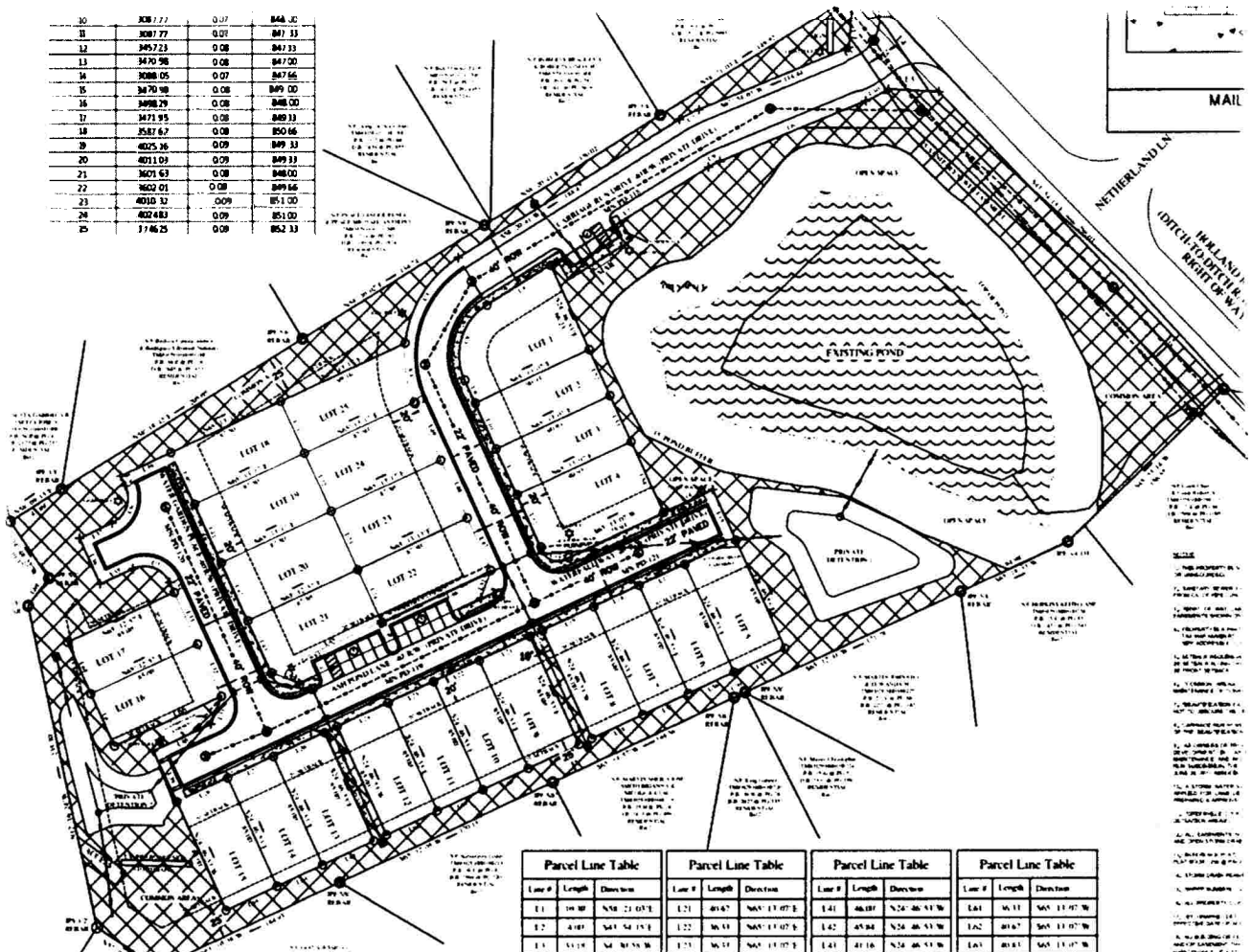
Section 13.3. Notice to Mortgagees. A notice of any eminent domain or condemnation proceeding shall be sent to all Mortgagees who have served written notice upon the Association in accordance with Section 8.1.





# EXHIBIT "A"

10	308777	0.07	844.32
11	308777	0.07	847.33
12	345723	0.08	847.33
13	347098	0.08	847.33
14	308805	0.07	847.66
15	347098	0.08	849.00
16	349829	0.08	848.00
17	347195	0.08	849.33
18	358767	0.08	850.66
19	402536	0.09	849.33
20	401103	0.09	849.33
21	360163	0.08	848.00
22	360201	0.08	849.66
23	401032	0.09	851.00
24	402483	0.09	851.00
25	374625	0.08	852.33



Parcel Line Table			Parcel Line Table			Parcel Line Table			Parcel Line Table		
Line #	Length	Direction	Line #	Length	Direction	Line #	Length	Direction	Line #	Length	Direction
1.1	19.80	N58°21'07"E	1.21	49.67	S65°13'07"E	1.41	66.87	N24°46'53"W	1.61	66.11	S65°13'07"W
1.2	4.08	S43°54'13"E	1.22	36.53	S65°13'07"E	1.42	45.84	N24°46'53"W	1.62	49.67	S65°13'07"W
1.3	53.14	S43°54'13"W	1.23	36.53	S65°13'07"E	1.43	41.16	N24°46'53"W	1.63	49.67	S65°13'07"W

"EXHIBIT B"

BY-LAWS OF

CARRIAGE RUN HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the non-profit corporation is Carriage Run Homeowners Association, Inc., hereinafter referred to as the "Association." The initial principal office of the corporation shall be located at 4113 E. North Street, Greenville, South Carolina 29615, but meetings of members and directors may be held at such place within the State of South Carolina, County of Greenville, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1. "Association" shall mean and refer to Carriage Run Homeowners Association, Inc., its successors and assigns.

Section 2. "Community" shall mean and refer to that certain real property described in the Declaration of Protective Covenants for Carriage Run Subdivision, as amended from time to time, and such additions thereto as may be made by Declarant or by the Association pursuant to the Declaration.

Section 3. "Common Area" shall mean all areas, if any, for which the Association has responsibility pursuant to the Declaration, any recorded plat, or other covenants, contracts, or agreements. The Common Area shall include all of the "Common Property" (as defined in the Declaration), if any, which consists of the real property, including property in the "open space" or conservation easement property, interests in real property, and personal property, easements, and other interests, together with improvements located on that property (if any) which are now or are hereafter owned by the Association for the common use and enjoyment of some or all of the Owners including the storm drainage systems which serve the subdivision to the extent that they are outside dedicated rights of way.

Section 4. "Lot" shall mean and refer to any plot of land within the Community, whether or not improvements are constructed on that land, which constitutes or will constitute, after the construction of improvements, a Single-Family Townhome site as shown on a plat recorded in the Office of the Greenville County Register of Deeds. The ownership of each Lot shall include, and there shall pass with each Lot as an appurtenance thereto (whether or not separately described), all of the right, title, and interest of an Owner in the Common Property supporting said Lot and membership in the Association.

Section 5. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot located within the Community; excluding those holding such interest merely as security for the performance or satisfaction of any obligation.

Section 6. "Declarant" shall mean and refer to Holland Road Venture, LLC, its successors and assigns, as named in the Declaration.

Section 7. "Declaration" shall mean and refer to the Declaration of Protective Covenants for Carriage Run Subdivision, as amended from time to time, applicable to the Community and recorded in the Office of the Register of Deeds for Greenville County, South Carolina.

Section 8. "Member" shall mean and refer to every person who is a member of the Association.

#### ARTICLE III MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held at a date and time determined by the Declarant, and each subsequent regular annual meeting of the Members shall be held on approximately the same day of the same month of each year thereafter, as determined by the Board of Directors from time to time. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. All meetings of Members shall be conducted according to the most current edition of Robert's Rules of Order.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A Membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association not later than the beginning of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her Lot.

Section 6. Voting. Members shall be comprised of Class A and Class B members, in accordance with the Declaration, and such Class A members and Class B members (the Members) shall have such voting rights as are described in and consistent with the Declaration, which is incorporated herein by reference thereto. The Declaration provides generally that Class A and Class B vote together, but Class A Members have one vote per Lot owned and Class B Members have four votes per Lot owned.

#### ARTICLE IV TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be Members of the Association. Provided, however, that the initial Board of Directors shall consist

of \_\_\_\_\_, and their/his appointees who shall manage the affairs of the Association until the first annual meeting. The Association may increase the size of the Board up to seven (7) by a majority vote of the Members.

Section 2. Term of Office. At the first annual meeting and at each annual meeting thereafter, the Members shall elect three (3) directors, each to serve for a period of one (1) year. Notwithstanding the one year term, each director shall serve until his or her successor is elected.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his or her actual, reasonable out-of-pocket expenses incurred in the performance of his or her duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee if one is convened and chooses to make such nominations. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee may be appointed by the Board of Directors prior to an annual meeting of the Members. The Nominating Committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but normally not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such intervals as may be determined by the Board of Directors. Regularly-scheduled meetings shall take place without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from four (4) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
  - (1) fix the amount of the annual assessment and any other assessment permitted by the Declaration against each Lot;
  - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
  - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same;

- (d) issue, or to cause an appropriate officer to issue upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area.

Section 3. Indemnity. To the fullest extent allowed by applicable South Carolina law, the Association shall indemnify every officer of the Association and director of the Association against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by an officer or director in connection with any action, suit, or other proceeding to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith.

#### ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Election of officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 2. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 3. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 3 of this Article.

Section 7. Duties. The duties of the officers are as follows:

#### President

- (a) The President shall preside at all meetings of the Board of Directors and Association Membership; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

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

Secretary

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

Treasurer

- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX Committees

The Association shall appoint an Architectural Review Committee (or the Board shall serve as such committee), at such time, and in such manner, as is provided with greater specificity in the Declaration, which states that the Declarant initially has the right to appoint all members of the Architectural Review Committee but that upon the expiration or surrender in writing of such right, the Board of Directors of the Association shall appoint the Architectural Review Committee. The Association may also appoint a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments and any other assessment described therein, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the



date of delinquency at the rate of eighteen (18%) percent per annum or on the principal amount due, or the maximum rate permitted by law, whichever is lesser, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for therein by non-use of the Common Area or abandonment of his Lot.

#### ARTICLE XII AMENDMENTS

Section 1. Prior to the first annual meeting of the Members, these By-Laws may be amended by the Declarant. After the first annual meeting of the Members, these By-Laws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds of a Total Association Vote (this term is defined in the Declaration) of the Members, voting in person or by proxy. In any event, the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B Membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

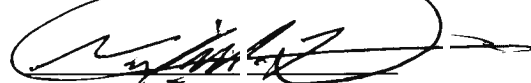
#### ARTICLE XIII MISCELLANEOUS

Section 1. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Rules regarding the rights and obligations of Members, as well as rules regarding the Association, are stated in the Declaration, which Declaration is hereby incorporated by reference and by such act the Declaration, as it may be amended from time to time, is expressly made a part of these Bylaws.

These By-Laws are hereby certified to be the By-Laws of the Corporation.

HOLLAND ROAD VENTURE, LLC



By: Nicholas M. Franchina  
Its: Managing Member