

ARTICLE I
DEFINITIONS

The following words and terms, when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise), shall have the following meanings:

(a) “Architectural Control Committee” or “ACC” shall mean the architectural control committee for Creekside at Horizon Village Homeowners Association, Inc. The Architectural Control Committee shall be the Developer until such time as both Developer and PLI have sold all of the Lots made subject to this Declaration, and then the ACC shall mean the Association (or a committee of the Association).

(b) “Association” shall mean and refer to Creekside at Horizon Village Homeowners Association, Inc., a South Carolina mutual benefit nonprofit corporation, its successors and assigns.

(c) “By-Laws” shall mean the by-laws of the Association attached hereto as **Exhibit B** and made a part hereof by this reference.

(d) “Common Areas” shall mean all real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The designation of any land and/or improvements as Common Area shall not mean or imply that the public at large acquires any easement of use or enjoyment or any other rights, licenses or benefits therein or to the use thereof. The designation of any land and/or improvements as Common Area shall not mean or imply that the public at large acquires any easement of use or enjoyment or any other rights, licenses or benefits therein or to the use thereof.

(e) “Developer” shall mean and refer to Hunter Quinn Homes, LLC, its successors, and assigns. Developer shall have the right to assign its rights hereunder to any person or entity by written assignment recorded in the ROD Office for Charleston County.

(f) “Lot” or “Lots” shall mean and refer to the ninety-nine (99) residential Lots located within the Property.

(g) “Lot Owner” or “Owner” shall mean and refer to the record owner, whether one or more persons, firms, associations, partnerships, corporations or other legal entities, of the fee simple title to any Lot, and such term shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title to a Lot pursuant to either foreclosure proceedings or receipt of a deed to a Lot in lieu of foreclosure; and such term shall not mean or refer to any lessee or tenant of a Lot Owner or Owner.

(h) “Maintenance Areas” shall also mean and collectively refer to (a) signage for Creekside at Horizon Village, (b) landscaping within a Lot (subject to the terms and conditions stated herein), (c) the roof of each Townhome on a Lot, (d) all Common Areas, and (e) any easements or access ways, walkways and all parks, and gardens and areas and any other areas or

improvements within the Property or the Common Areas as designated by Developer from time to time.

(i) “Maintenance Easement” shall mean the easement reserved by the Association, Developer, or utility company to enter upon a Lot to maintain the landscaping, perform exterior maintenance on the roof (including its repair and replacement), and to access any meters, drainage easement, or sewer and water line within a Lot as well as an easement over.

(j) “Member” shall mean and refer to all those Lot Owners who are Members of the Association as provided in Section 1 of Article III hereof.

“Property” or “Properties” shall mean and refer to the real property described on Exhibit A hereof and also any Common Areas, and also as the Property subject to this Declaration may be modified by a supplement or amendment to the Declaration.

(k) “Resident” shall mean any natural person who occupies, resides or lives in a Townhome under the terms of a lease or other agreement whether such natural person constitutes the Owner of such Townhome or the guest of an Owner or Resident and shall include all tenants, agents, servants, employees, independent contractors, invitees and any other natural persons who occupy, reside or live in any Townhome. All actions or admissions of any Resident are and shall be deemed the actions and admissions of the Owner of such Townhouse; and an Owner is responsible for any violations of the Declaration or the Rules and Regulations by a Resident, including any guests.

(l) “Rules and Regulations” shall mean those Rules and Regulations concerning the use of the Common Area and the Lots as may be promulgated and amended from time to time by the Board of Directors, provided that copies of such Rules and Regulations are furnished to each Lot Owner when they become effective in accordance with South Carolina Law.

(m) “Townhome(s)” shall mean any attached or detached single-family dwelling constructed or to be constructed on a Lot.

ARTICLE II PROPERTY AND PROPERTY RIGHTS

Section 1. Property. The real property which is and shall be held, transferred, sold, conveyed, leased, and occupied, subject to this Declaration, to be known as Creekside at Horizon Village, and as more particularly described in **Exhibit A** attached hereto and by reference incorporated herein.

Section 2. Development of Property. Developer and PLI reserve the right to construct Townhomes on the Property.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. The Developer (so long as it holds title to at least one Lot) and every person or entity who is a record owner of a fee simple or undivided fee simple interest in any Lot which is subject by this Declaration to assessment by the Association shall be a Member of the Association; provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association.

Section 2. Voting Rights. Voting rights of the Members shall be as set forth in the By-Laws, attached hereto as **Exhibit B**.

Section 3. Voting Mechanics. Voting may be conducted by written ballots or by an electronic voting process. In the event that an electronic voting process voting is used for specific issues or on all issues, then the Board in its discretion may adopt specific rules and procedures as necessary in furtherance of conducting the electronic voting process by which a Member in good standing representing a Lot may cast his/her vote electronically. In the event that the Board elects to implement an electronic voting process, the president of the Association shall be responsible for recommending, reviewing and implementing the process subject to Board approval. The voting process shall be conducted in a manner consistent with the By-Laws, this Declaration, and South Carolina law.

Section 4. Members Easements of Enjoyment. Subject to the provisions of this Declaration, the By-Laws, and Rules and Regulations of the Association, every Member shall have a right and easement of enjoyment in and to the Common Areas, if any. Such easement shall (subject to the provisions hereof and the By-Laws) be appurtenant to and shall pass with the title of every Lot, and shall be deemed a perpetual, transmissible, commercial easement essential to the enjoyment of the title to each Lot.

Section 5. Title to Common Area/Easements over Common Areas. Developer may at its option convey the legal title to any Common Areas within the Property to the Association. Both the Developer and the Association shall be entitled to grant utility and other easements over the Common Areas so long as such easement does not unreasonably interfere with the use of the Common Area by the Owners.

Section 6. Extent of Member's Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to take such steps as are reasonably necessary to protect the Common Areas against foreclosures;

(b) The right of the Association, as provided in its By-Laws, to suspend the enjoyment of easement and other rights of any Member for any period during which any assessments remain unpaid and for any period not to exceed thirty (30) days for any infraction of its published Rules and Regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment;

(c) The right of the Developer and the Association to charge reasonable admission, guest and other fees for the use of a Common Area, as applicable, and/or the facilities therein;

(d) The right of the Developer and the Association to dedicate or transfer to any public or private utility or to any governmental entity, utility, cable, sewer or drainage easements on any Common Area or part thereof; and

(e) The right of the Association to give or sell all or any part of the Common Area, including leasehold interests, to any public agency, authority, utility or private concern for such purposes and subject to such conditions as may be agreed to by the Board of Directors for the Association to be reasonable and necessary.

ARTICLE IV RESERVED EASEMENTS

Section 1. Ingress/Egress and Utilities. Developer and PLI hereby reserve an easement for ingress/egress and utilities across the Property for the subdivision, development and sale of the Lots.

Section 2. Drainage. Developer and PLI reserve for the benefit of the Property a right for drainage and use of any existing storm water drainage facilities.

Section 3. Grant of Easements to Owners.

(a) Subject to the rights reserved by the Developer, Developer hereby grants to each Owner the non-exclusive right, privilege and easement of access to and the use and enjoyment of any Common Areas in common with Developer, its successors and assigns. Subject to the terms and provisions hereof, the easement and rights granted pursuant to this section are and shall be permanent and perpetual, are non-exclusive, are appurtenant to and shall pass and run with title to each Lot or with any agreement signed regarding any Lot. The easement and rights granted pursuant to this section may not be severed, transferred, assigned or otherwise alienated, separate or apart from a Lot;

(b) Developer does hereby establish and reserve for itself, its agents, employees, representatives, invitees, successors and assigns, the rights, privileges and easements of access to and the use and enjoyment of any and all Common Areas.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Developer hereby covenants, and each Owner of any Lot shall, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Association: (1) monthly general assessments and (2) special assessments for the purposes set forth herein; both such assessments to be fixed, established, and collected from time to time as hereinafter provided. The monthly and special assessments, together with such interest thereon and costs of collection therefor

as hereinafter provided, shall be a charge and continuing lien on each Lot so assessed at the time a Lot is owned by a person or entity other than the Developer. Assessments, together with such interest thereon and cost of collection therefor as hereinafter provided, shall also be the personal obligation of the person who was the Owner(s) of such Lot at the time when the assessment fell due. In the case of co-ownership of a Lot, all Co-Owners of the Lot shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for:

(a) The landscaping and maintaining of the Common Areas, including but not limited to the payment of taxes and insurance thereon as well as repair, replacement, and additions thereto and to provide for replacement reserves for all improvements.

(b) The power washing of the exterior of the Lots on a regular basis (at least annually).

(c) The landscaping of the exterior areas of the Lots; however, the Association shall not be responsible for maintaining any landscaping installed by a Lot Owner within the footprint of its Lot or within any fenced areas.

(d) To maintain the roofs of the Townhomes constructed on the Property. The Association shall also provide for a reserve for the repair and replacement of the roofs.

(e) To install, repair, maintain and replace the Signage for the community.

(f) To assess special assessments to be used for the purposes set forth herein.

(g) To pay for the administration of the Association and other matters as determined by the Board of Directors in accordance with the Bylaws, including hiring a property management company and other professionals for the performance of the obligations of the Association hereunder.

(h) To pay for insurance for the activities of the Association, including directors' and officers' liability insurance and for other insurance coverage deemed necessary and appropriate by the Association.

(i) To establish a reserve for the maintenance, replacement and upkeep of the Common Areas and the areas of responsibility of the Association.

Section 3. Monthly Assessments. Beginning on January 1, 2020, the assessment for a Lot shall be _____ (\$_____) per month. The Board of Directors shall determine on an annual basis the amount of the monthly assessments for the Lots for the next 12 months based on the current maintenance costs and future needs of the Association; however, the monthly assessments shall not be increased by more than fifteen (15%) percent over the assessments for the previous month without a vote of two-thirds (2/3) of the Owners who are voting, in person or by proxy, at a meeting duly called for this purpose.

Section 4. Special Assessments for Improvements and Additions. In addition to the monthly assessments authorized herein, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any repair or replacement of any Maintenance Area, provided that any such assessment in excess of One Thousand and no/100 (\$1,000.00) Dollars per Lot in any one year shall require the assent of a majority of the votes of the Members of the Association at a duly called meeting of its Members, written notice of which shall be sent to all Members at least thirty (30) days in advance and which shall set forth the purpose of the meeting.

The due date of any special assessment shall be fixed in the resolution authorizing such special assessment.

Section 5. Working Capital Fee. Upon any conveyance of a Lot (including, but not limited to any conveyance by Developer, PLI, or any subsequent Owner), the transferee shall pay a working capital fee to the Association of Two Hundred Fifty Dollars (\$250). Assessments, together with such interest thereon and cost of collection therefor as hereinafter provided, shall also be the personal obligation of the person who was the Owner(s) of such Lot at the time when the assessment fell due. In the case of co-ownership of a Lot, all Co-Owners of the Lot shall be jointly and severally liable for the entire amount of the assessment. The Association has the ability to modify or adjust the amount to be paid as the Working Capital Fee at any time.

Section 6. Notice and Quorum. All notice and quorum requirements for action by the Association shall be as set forth in the By-Laws attached hereto as **Exhibit B** and incorporated herein by this reference.

Section 7. Assessment Due Dates. The assessments for each month shall become due and payable on the first day of each month and shall be delinquent and subject to collection and other action by the Association in the manner stated herein thereafter

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall determine on an annual basis the amount of the monthly assessments payable by each Lot for the upcoming 12 month period. The Board shall maintain a roster of the Lots included within the Property which shall be kept in the office of the Association and shall be open to inspection by any Lot Owner.

Written notice of the monthly assessments for the upcoming 12 month period shall be sent to every Lot Owner subject thereto.

The Association shall, upon demand at any time, furnish to any Lot Owner liable for assessments a written certificate setting forth whether said assessments has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. The Association shall be entitled to charge a reasonable fee for the issuance of the Certificate.

Section 9. Effect of Non-Payment of Assessment; The Personal Obligation of the Owner; Lien Rights; Remedies of Association. If an assessment is not paid on the date when due (being the date specified herein above), then such assessment shall become delinquent and shall (together with interest thereon at the judgment rate and cost of collection as hereinafter provided)

become a charge and continuing lien on the assessed Owner's Lot and all improvements thereon, against which each such assessment is made and shall pass as an obligation to the Owner's successors in title.

Any assessment not paid within fifteen (15) days of the due date shall be subject to a late fee of the greater of (a) five (5%) percent of the amount of the assessment or (b) \$50. If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action against the Lot Owner obligated to pay the same and may foreclose the lien against the property. There shall be added to the amount of such assessment all late fees, interest at the rate of twelve percent (12%) per annum commencing thirty (30) days after the due date and accruing until the date of collection, the costs of legal counsel in such action, whether or not suit is commenced, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court together with the costs of the action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon a Lot subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such Lot Owner from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 11. Exempt Property. Any portion of the Property, including any Lots, owned by the Developer, by the Association or a governmental entity shall be exempted from the assessment charge and lien created herein.

Section 12. Notice of Sale. Prior to the sale of a Lot, the Owner selling the Lot must promptly furnish to the Association in writing the name and address of such purchaser, or transferee. Upon the acquisition of a Lot, the Owner acquiring the Lot must promptly furnish to the Association in writing its name, address and any other contact information requested by the Association.

ARTICLE VI RESTRICTIONS AND COVENANTS

The following covenants, conditions, restrictions, and easements are herewith imposed on the Property:

Section 1. Use Restrictions. Except as otherwise provided herein, each Lot shall be used for residential purposes only. No trade or business may be carried on in or from any Lot or Townhome; provided, however, that the use of any portion of a Townhome as an office by a Resident shall not be considered a violation of this Declaration if such use does not create regular customer, client or employee traffic. The leasing or rental of a Townhome for residential purposes for a rental term of a minimum of 6 consecutive months shall not be considered a violation of this covenant.

Section 2. Modification to Townhomes - Plan Approval. No improvements of any nature whatsoever shall be done to any Lot or Townhome unless such improvements have been approved by Developer or the ACC. It follows that no sheds, arbors, gazebos detached structures, pools, greenhouses, playhouses, dog houses, dog runs, dog pens, or decks will be allowed on a Lot or other outbuildings or fixtures shall be constructed, installed, located, placed, operated or maintained on any Lot unless such improvement is approved in writing by the Developer or the ACC prior to the construction of the improvement.

All exterior building material finishes and exterior colors for any Townhome must be approved by Developer or the ACC. Metal flashing, valleys, vents and gutters installed on a Townhome shall be painted to blend with the color of the exterior materials to which it is adhered or installed and such painting must be maintained in accordance with Article VII.

The exterior colors of all Townhomes, including all painted surfaces for exterior doors, window shutters, cornices, eaves and gables, must be approved by Developer or the ACC. No Owner or Resident may repaint any of the exterior portions of any Townhome or any other improvements on a Lot without the express prior written consent of Developer or the ACC.

Each Townhome shall be maintained in the same condition as its condition upon the conveyance of the Townhome to the Owner. No sunrooms, enclosed porches, pet runs, patio, or patio enclosure or other additions to the Townhomes unless approved in writing by the Developer or the ACC. All such additions must fit within the Lot and not encroach upon any adjoining Lots or in any Common Areas.

Section 3. Underground Utilities. All utility lines, pipes, conduits and wiring for electrical gas, telephone, water, sewer, cable television, security and any other utility service for any portion of the Property shall be installed and maintained below ground, to the extent possible.

Section 4. Landscaping and Trees.

(a) Any landscaping which any Owner desires to construct, install, place or maintain on or within any Lot must be approved by Developer or the ACC, which approval may be granted or denied in their sole and absolute discretion. In the event the Developer or ACC authorizes any Owner to install, construct, place or otherwise maintain additional landscaping on the Lot of such Owner, then the Owner and Resident of such Lot shall be solely responsible for maintaining the same and such additional landscaping shall not constitute part of the responsibilities of Developer or the Association. Furthermore, each Owner and Resident does hereby waive, release and forever discharge Developer and the ACC, and their agents, employees, personal representatives and independent contractors from and against any and all damage, loss, liability, claim or expense suffered, paid or incurred by any Owner or Resident as a result of any damage to or destruction of any additional landscaping installed on any Lot by any Owner or Resident. The provisions of this Section shall also be applicable to any vegetable, herb or similar gardens or plants which Owner or Resident desires to plant or maintain within any Lot. Any such vegetable, herb or similar gardens or plants shall be located only in such areas on a Lot as may be approved by Developer or the ACC;

(b) No rocks, rock walls or other substances shall be placed on any Lot as a front or side yard border or to prevent vehicles from parking on or pedestrians from walking on any portion of such Lot or sidewalks or to otherwise impede or limit access to the same. No bird baths, fountains, reflectors, flag poles, statues, lawn sculptures, lawn furnishings, artificial plants, rock gardens, rock walls, bird houses, or other fixtures and accessories shall be placed or installed on or within the front or side yards of any Lot or which would be visible from any roadway within or adjacent to the Property; and

(c) Seasonal or holiday decorations (*e.g.*, Christmas trees and lights, pumpkins, Easter decorations) can be placed on a property no earlier than forty-five (45) days prior to a holiday, and shall be promptly removed from each Lot or Townhomes no later than fourteen (14) days after such holiday occurs. Developer and the Association may in their discretion require an Owner or Resident to remove decorations if considered excessive or inappropriate.

Section 5. Heating/Air Units. No solar or other energy collection panel, equipment or device shall be installed or maintained on any Lot or Townhomes. All plumbing and heating vents, stacks and other projections of any nature on the roof shall (i) be painted a similar color as the roof shingles used for such Townhomes and (ii) to the extent practicable, not be visible from any roadways.

Section 6. Townhome Roof. No solar or other energy collection panel, equipment or device shall be installed or maintained on any Lot or Townhouse. No projections of any type shall be placed or permitted to remain above the roof of any Townhome.

Section 7. Exterior Lighting. All exterior lighting for any Townhome, including, without limitation, freestanding lighting, accent lighting and utility (*e.g.*, flood) lighting, must be approved by Developer or ACC. The Owner or Resident of each Townhome shall be responsible for maintaining and replacing all exterior lighting on the Townhome or Lot of such Owner or Resident.

Section 8. Parking. Parking shall only be in the designated parking areas on a Lot. Inoperable or untagged vehicles are not permitted on a Lot (outside of the garage) and shall not be parked in front of Lot. No vehicles shall be parked on the public street or within a Lot in such a manner to prevent or unreasonably limit access to a Lot.

Section 9. Fences.

(a) No fences of any kind or material shall be permitted within the Property, except for fences erected by the Developer and any fences approved by the Developer or the ACC.

(b) Notwithstanding anything provided in this Declaration to the contrary, in the event Developer or ACC approves the construction or installation of any fence on any Lot, then the Owner and Resident of such Lot shall be responsible for maintaining the same in good condition and repair at all times and the maintenance thereof shall not constitute part of the Developer obligations with regard to maintenance. In addition, an Owner shall be solely responsible for the landscaping and maintenance of any areas within the Lot enclosed by a fence.

Section 10. Windows, Window Treatments and Doors.

(a) Reflective glass shall not be permitted on the exterior of any Townhome. No foil or other reflective materials shall be installed on any windows or used for sunscreens, blinds, shades or other purposes. Appropriate window treatments shall be used on all windows. Sheets, bed linens, blankets and paper or plastic bags are not appropriate window treatments. Developer may adopt guidelines for the specific types of windows, including, without limitation, the materials to be used, for any and all exterior windows on any Townhome; and

(b) Burglar bars or doors (including wrought iron doors) shall not be permitted. Screen doors shall not be used on the front of any Townhome. Except for one (1) single-glass (i.e., storm) door which, with Developer's approval, may be maintained on the front door of a Townhome, no aluminum or metal doors with glass fronts shall be allowed on the front of any Townhome. All exterior doors on any Townhome must be approved by Developer or ACC as to style, materials used, color, size and types of door hardware to be utilized. All doors, whether single-glass (i.e., storm) or otherwise, to each Townhome shall be maintained by the Owner or Resident of such Townhome.

Section 11. Mail Kiosk. Developer will provide a kiosk or a community mail center for a group of Lots as required by the United States Postal Service ("USPS"). The Association shall be responsible for repairing and maintaining the kiosk in the manner required by the USPS, including the replacement thereof, as may be necessary.

Section 12. HVAC Equipment. Window units are permitted for temporary use (not to exceed 8 weeks in any 12 month period) and only in the event that the HVAC equipment serving the Townhome is being repaired or replaced; however, with the written consent of the Board of Directors and due to an extenuating circumstance (e.g. parts unavailable), then a window unit may be permitted for an additional time period.

Section 13. Satellite Dishes and Antennae. No radio antennae, radio receiver or other similar device or aerial, including citizen's band (i.e., "CB") radio and other short-wave radios antennae or aerials shall be attached to or installed on any Lot or Townhome. No radio or television signals or any other form of electromagnetic radiation or transmission shall be permitted to originate from or be received by any Lot or Townhome which may interfere with any (1) emergency response system for the Property or (2) reception of radio or television signals within the Property or any other real property situated in close proximity to the Property. Small satellite dishes are permitted subject to the approval of the Developer or ACC and to the maximum extent screened from view from the street. If this restriction violates any federal law or regulation, the federal law or regulation shall prevail.

Section 14. Outdoor Furniture, Clotheslines and Crafts.

(a) Unless otherwise specifically approved by Developer or the ACC, any outdoor furniture, playground equipment, basketball, volleyball and/or soccer goals, trampolines or other outdoor furniture or equipment shall be placed, kept, installed, maintained or located in or on any Lot shall, to the greatest extent practicable, in a location so that it is not visible from any

roadways within or adjacent to the Property. No interior furniture or furnishings (i.e., sofas, appliances, etc.) shall be allowed outside any Townhome. Any outdoor furniture or equipment which Developer has authorized on a Lot must be maintained in good condition and repair at all times by the Owner or Resident of such Lot.

(b) Outside clotheslines or other outside facilities for drying or airing clothes shall be prohibited on any Lot. Barbecue grills or other types of outdoor cooking equipment and apparatus shall be located only at the rear of a Townhome but shall not be used within any screen porch area.

Section 15. Pets and Animals. A reasonable number of pets may be kept at a Townhome; however, no pet(s) shall be kept at a Townhome that makes an unreasonable amount of noise or becomes a nuisance to the surroundings Lots or Common Areas. No rodents, reptiles, livestock, birds or poultry of any kind shall be kept, raised or bred by any Owner or Resident upon or within any Lot or Townhome and no animals may be kept or maintained on a Lot or within a Townhome for breeding or commercial purposes. Dogs and cats shall not be allowed to roam unattended within the Common Area or other Lots; and animals must be under leash at all times when outside of the Townhome.

Pets shall not be permitted to leave excrement on the Lot of any other Owner or Resident or within any Common Areas or on any other portion of the Property and the Owner of such pet shall immediately remove the same. Each Owner or Resident shall be liable to the Association for the costs of repairing any damage to the Common Areas caused by the pet of such Owner or Resident.

Section 16. Trash, Rubbish and Nuisances. No trash, garbage, rubbish or debris of any kinds shall be dumped, placed or permitted to accumulate upon any portion of the Property or any Common Area nor shall any nuisance or odors be permitted to exist or operate upon or arise from any Lot which would render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using, occupying or owning any other Lots within the Property or any other real property in close proximity to the Property. Noxious or offensive activities shall not be carried on in or from any Lot or in any part of the Common Areas, and each Owner and Resident shall refrain from any act or use which could cause disorderly, unsightly or unkempt conditions, result in the cancellation of or increase in insurance coverage or premiums for any portion of the Property or be in violation of any law, statute, ordinance, rule, regulation or requirement of any governmental authority. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, other than security and fire alarm devices used exclusively for such purposes, shall be located, used or placed upon any Lot or Townhome. Any Owner or Resident who dumps, places or allows trash or debris to accumulate on such Owner's or Resident's Lot or on any other portion of the Property or in Common Area shall be liable to Developer and the Association for all costs incurred by Developer or the Association to remove the same.

Section 17. Recreational Vehicles, Machinery, and Equipment.

(a) Mobile homes, motor homes, travel trailers, trailers of any kinds, campers, motorized carts (whether electric, battery, solar or powered by any other means), all-terrain vehicles, tractors, tools, construction machinery and equipment of any type of nature, and

machinery, lawnmowers, or equipment shall **not** be permitted, stored or allowed to remain on Lot unless the same is placed, stored and maintained within the fenced rear yard, if applicable, and in all events must be kept out of sight except when in use.

(b) No boats and any other type of watercraft, including boat trailers, and any other similar types of vehicles shall be permitted stored or allowed to remain on any Lot.

(c) No Owner or Resident shall repair or restore any vehicle, machinery or equipment of any kind upon or within any parking area or within any portion of Lot, except for emergency repairs and then, only to the extent necessary to enable the immediate movement thereof to a proper repair facility located outside of the Lot. Inoperable vehicles are prohibited.

Section 18. Signage. Except for signs erected, placed or maintained by Developer within the Property or a Common Area, no Lot shall contain more than one (1) sign (not to exceed four (4) square feet in size) stating “for sale” or “for lease”. All other signs or advertising posters of any kind, including, without limitation, political/campaign signs and posters, home improvement signs, garage sale signs or any other types of signs, or any banners, flags or advertising posters, are not permitted on the exterior of any Lot or Townhome or elsewhere on any portion of the Property or the Common Areas (including signs visible from any window of any Townhome). In addition, any group of Townhomes having common ownership and located within a single building shall be limited to one (1) “for sale” or “for lease” sign for all such Townhomes within the building.

Section 19. Temporary Structures. No temporary house, trailer, shack, tent, barn, shed, stable, poultry house or yard, rabbit hut, treehouse or other outbuilding or structure of any kind, shall be permitted, constructed, installed or allowed to remain on any Lot; provided, however, that the foregoing shall not be deemed to prohibit: (a) temporary structures for social functions as may be permitted by the Rules and Regulations; and (b) construction trailers and/or sales offices of Developer.

Section 20. Construction of Improvements.

(a) During the construction of any improvements on a Lot which have been approved by the Developer or the ACC: (i) such Lot shall be maintained in a clean condition, free of debris and waste material, (ii) all unused construction materials shall be stored, to the extent practicable, out of view from any roadways within or adjacent to the Property, and (iii) all construction trash, debris and rubbish on each Lot shall be properly disposed of outside of the Property at least weekly. No used construction materials shall be buried on or beneath any lot or on any other portion of the Property or any of the Common Areas. No Owner or Resident shall allow dirt, mud, gravel or other substances to collect or remain on any roadways within or adjacent to the Property. Each Owner or Resident and each Owner’s contractor, subcontractors, laborers and suppliers shall cause all dirt, mud, gravel and other substances to be removed from the treads and wheels of all vehicles used in or related to the construction of improvements on a Lot prior to such vehicles traveling on any roadways within or adjacent to the Property;

(b) Upon completion of construction of any improvements on a Lot, all construction machinery, tools and equipment, all unused construction materials and all trash, debris and rubbish shall be immediately removed from the Lot; and

(c) All Townhomes and any other improvements to be constructed on a Lot shall comply with all applicable laws, ordinances, rules, regulations and zoning and building code requirements of the applicable governmental authorities.

Section 21. Soil Erosion and Drainage. Each Owner or Resident shall provide and maintain on his or her Lot adequate soil erosion measures and drainage facilities to accommodate any storm water runoff resulting from any improvements being or having been constructed on the Lot. Each Owner shall also insure that his or her Lot and any improvements thereto are at all times in strict compliance with: (a) all soil erosion protection requirements of all applicable governmental authorities; (b) all storm water drainage and runoff requirements and regulations of all applicable governmental authorities; and (c) all other statutes, ordinances, codes, laws, permits, legislation, rules, regulations, requirements and rulings by any governmental authorities. Each Owner or Resident, by acceptance of a deed or Agreement to his or her Lot or Townhome, shall and does hereby indemnify, defend and agree to hold Developer, and their agents, employees, officers, directors, shareholders, members, managers and representatives, harmless from and against any and all fines, penalties, costs and expenses, including court costs and reasonable attorneys' fees and expenses, and any other amounts suffered, paid or incurred by Developer and its agents, employees, officers, directors, shareholders and members, managers and representatives in connection with any action, suit or proceeding (including the settlement of any suit or proceeding) to which any such person may be made a party by reason of the breach by such invitees) of any of the terms and provisions hereof.

Section 22. Compliance with Governmental Regulations. Each Owner and Resident shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations, requirements and code provisions of the governmental authorities.

Section 23. Additional Regulations. In addition to the restrictions set forth in this Declaration, Developer and the Association shall have the right, in their sole discretion, from time to time to adopt, modify and amend the Rules and Regulations as are determined to be in the best interests of all Owners and Residents and which Rules and Regulations shall be binding on all Owners and Residents.

Section 24. Variances. Developer, in its sole and absolute discretion, shall have the exclusive right to grant variances with respect to any of the provisions of this Declaration and this Section with respect to any Lot or Townhome. Any variance request submitted to Developer shall be in writing and, upon approval of the same by Developer, shall be evidenced by a written variance executed by Developer.

Section 25. Enforcement and Remedies. In the event any of the provisions of this Article, including the Rules and Regulations referenced below, are breached or are not otherwise being complied with in all aspects by any Owners or Resident or any of their respective guests following five (5) days written notice of such breach or noncompliance, then Developer and the

Association shall have the right, at its option, to (a) enjoin such violation or noncompliance and/or (b) through its designated agents, employees, representatives and independent contractors, enter upon such Lot or Townhome and take all action necessary to extinguish or correct such violation or breach. All costs and expenses incurred by Developer or the Association in enforcing any of the provisions of this Declaration (including the Rules and Regulations referenced below), including, without limitation, attorneys' fees and expenses, court costs, costs and expenses of witnesses, engineers, architects, designers, land planners and any other persons involved in the correction of any noncompliance or the removal of such violation or in any judicial proceeding, together with any other costs or expenses incurred by Developer in connection therewith, in addition, a fine of Fifty (\$50) Dollars per day shall be paid by such Owner or Resident who has violated or breached any of the provisions of this Declaration, shall constitute an Individual Assessment to such Owner or Resident pursuant to the terms hereof and be subject to foreclosure as provided for therein. Notwithstanding anything provided herein to the contrary, the rights and remedies of the Association and Developer set forth herein shall not be deemed exclusive of any other rights and remedies which Developer may exercise at law or in equity or any of the enforcement rights specified in this Declaration. The Association has the ability to determine, modify and adjust the appropriate amount of the fine for violations of the terms of this Declaration and any rules or regulations of the Association.

In addition, the Association shall at all times have the right and easement to go upon any Lot for the purposes of exercising its rights hereunder, including, but not limited to, enforcement of the architectural guidelines and the Rules and Regulations applicable to the Property. Any entry onto any Lot for purposes of exercising this power of self-help in the enforcement of the terms of this Declaration and the Rules and Regulations shall not be deemed as trespass. All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In any action to enforce its rights and remedies, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, incurred in such action.

In addition, the Association shall not be obligated to take action to enforce any covenant or any Rule and Regulation which the Board of Directors reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board of Directors reasonably determines that the Association's position is not strong enough to justify taking enforcement actions. Any such determination shall not be construed as a waiver of the right to enforce such provisions under other circumstances or to estop the Association from enforcing any other covenant, restriction or rule.

Section 26. Assignment of Approval Rights. Developer hereby assigns to the Association and the ACC the approval rights reserved by the Developer as stated herein upon the sale of all of the Lots made subject to this Declaration. Notwithstanding the preceding, the Developer may at any time assign its approval rights provided herein to the Association and ACC by a written assignment of such rights.

Section 27. Review and Approval of Plans and Landscape Plans. No landscaping, grading, filling, building, fence, wall, sidewalk, or other structure shall be commenced, erected or maintained on any Lot, nor shall hurricane protection shutters or devices, exterior painting or any

addition to or alteration therein be made until the plans and specifications showing the grading, filling, nature, kind, shape, height, color, materials, size, and location of the same shall have been submitted to the ACC and approved, in writing, as to all such elements in relation to surrounding structures and topography, by the ACC. Neither Developer nor any member of the ACC shall be responsible or liable in any way for any defects in any plans or specifications approved by the Developer or ACC, nor for any structural defects in any work done according to such plans and specifications approved by the Developer or ACC. Further, neither Developer nor any member of the ACC shall be liable for damages to anyone submitting plans or specifications for approval under this Section, or to any Owner of a Lot affected by this Declaration by reason of mistake in judgment, negligence, or non-feasance 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 to the ACC for approval agrees, by submission of such plans and specifications, and every Owner of any Lot agrees, that he will not bring any action or suit against Developer, or any member of the ACC, to recover for any such damage. The decision of the Developer or ACC shall be final and binding in all respects.

Section 28. Failure to Maintain Townhomes/Reservation of Easement.

(a) In the event a Lot Owner fails to maintain the Townhome such that it would decrease the value of adjoining properties or the Creekside at Horizon Village community, then the Association shall have a right to enter upon a Lot in order to make repairs and thereafter place a lien upon the Lot for the cost of repairs and maintenance as well as any attorneys fees and the cost of enforcement. Prior to the Association entering a Lot to make repairs to a Townhome, the Board of Directors shall provide for a notice and hearing process in order to attempt to resolve such issues prior to the Association making repairs and assessing a lien.

(b) There is hereby reserved for each Townhome an easement for portions of the building and the eaves to encroach not more than three (3') feet upon any adjoining Lot or common area, together with an easement across any adjoining Lot and common areas as may be reasonably necessary for repairs and maintenance to the Townhome. If the Owner fails to maintain the Townhome, the Association shall have an easement to enter the Lot to make repairs.

Section 29. Completion of Construction. The ACC shall have the right to take appropriate legal action, whether at law or in equity, to compel the immediate completion of any reconstruction not completed within customary building time.

Section 30. Offensive Activities. No illegal activities shall be carried on upon any Lot. In addition, any activities which emit foul or obnoxious odors or create noise (including the discharge of any radio, loudspeaker, horn, whistle, bell, amplifier or other sound device) or other conditions which tend to disturb the peace or threaten the safety of other persons living on other Lots are prohibited. However, alarm devices used exclusively for safety or security purposes which shut off automatically are permitted.

Section 31. Garbage Receptacles. All garbage and waste receptacles shall be in such areas as are designated by the Developer or the ACC. No Lot Owner shall be permitted to place any waste in any common receptacle other than normal waste generated from household usage.

Section 32. No Trespass. Whenever the Association, the Developer, PLI, or any committee of the Association is permitted by this Declaration to enter upon, correct, repair, clean, maintain, preserve, or do any other action within any portion of the Property or a Lot, the entering thereon and the taking of such action will not be deemed to be trespass.

Section 33. Rules and Regulations. The Board of Directors shall have the right to publish and amend from time to time such additional Rules and Regulations and a notice and hearing process as necessary to govern the use of Lots and any Common Areas. A copy of the initial Rules and Regulations and all amendments shall be kept by the Secretary of the Association.

ARTICLE VII
EXTERIOR MAINTENANCE
AND SEWER AND WATER SYSTEM MAINTENANCE

Section 1. Maintenance. Each Lot Owner shall be responsible for maintaining, shutters, windows, window casing, doors, and all portions of the exterior of the Townhomes located upon the Lot, except the roof.

Section 2. Windows. The type of blinds or window treatment that can be seen from the exterior shall be subject to review and approval by the ACC as to the color and design.

Section 3. Roof. The roofs shall be maintained by the Association as provided above.

Section 4. Doors. No change in the design or type of an exterior door shall be made without the approval of the ACC. The exterior of an exterior door and replacement of such door shall be the responsibility of the Lot Owner.

Section 5. Interior and Exterior. Except as otherwise provided herein, the Lot Owner shall be responsible for maintaining the interior and exterior of the Townhome, including all windows and doors.

Section 6. Sewer, Water and Utility Lines. All sewer, water and utility lines, up to the meter, shall be maintained by the Association or the utility providing the service. All sewer, water and utility lines which service only the Lot or the Townhome located upon the Lot shall be the responsibility of the Lot Owner. Any Lot Owner which causes any sewer line to be clogged shall be responsible for the repair.

ARTICLE VIII
MODEL HOMES, SALES OFFICE AND MANAGEMENT

So long as Developer owns a Lot, Developer shall have the right to maintain model homes for sales purposes notwithstanding any restrictions contained herein and shall have the right to maintain a sales office on a Lot.

ARTICLE IX
INSURANCE

Section 1. Association Insurance. The Association shall keep any Common Areas insured against loss or damage by fire for the full insurance replacement cost thereof and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Monthly Assessments made by the Association.

Section 2. Lot Owner Insurance. By virtue of taking title to a Lot, each Lot Owner covenants and agrees with all other Lots Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Lot, less a reasonable deductible, and also including flood insurance for any Lot deemed by the FEMA flood maps to be within an area of increased risk of damage by floods (Flood Zone X is exempt from this requirement). Further each Owner covenants and agrees that in the event of damage to or destruction of structures or landscaping on or comprising his or her Lot, the Lot Owner shall proceed promptly to repair or to reconstruct the damaged improvement, structure or landscaping consistent with the original construction or such other plans and specifications as are approved in accordance with the terms hereof. Alternatively, the Owner shall clear the Lot of all debris and ruins and maintain the Lot in a neat and attractive, landscaped condition. The Lot Owner shall pay any costs which are not covered by insurance proceeds.

Upon request by the Association, a Lot Owner shall provide to the Association evidence that the Lot is insured for its full replacement cost in accordance with the terms hereof.

ARTICLE X
GENERAL PROVISIONS

Section 1. Enforcement. Enforcement of this Declaration and the Rules and Regulation may be made by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction either to restrain violation or to recover damages, and against the Lot Owner's Lot to enforce any lien created by this Declaration; and failure by the Association or any Lot Owner or the Developer to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. In the event the Association is required to engage an attorney, whether or not suit is brought to enforce any covenant, it shall be entitled to recover all costs and expenses including reasonable attorney's fees.

Section 3. Severability. Should any covenant or restriction herein contained, or any article, section, subsection, sentence, clause, phrase or term of this Declaration be declared to be

void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions which are hereby declared to be severable and which remain in full force and effect.

Section 4. Amendment. So long as Developer owns a Lot subject to the terms of this Declaration and such amendment does not substantially impair the rights of the Members, then Developer shall have the right to amend unilaterally this Declaration for any purpose including to make additional property subject to the terms of the Declaration. In addition, Developer shall have the right to amend unilaterally the terms of this Declaration at any time so to comply with the requirements of any governmental agency.

In addition, this Declaration may be amended at any time by an instrument signed by the President and Secretary of the Association based upon a vote held at any annual or special meeting at which the Amendment was approved in person or by proxy by not less than sixty percent (60%) of the Lot Owners. Any amendment must be in writing and recorded in the Charleston County ROD.

Section 5. Term. The covenants and restrictions of this Declaration shall run with and bind the Property described herein for a term of twenty (20) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless terminated by the written consent of 100% of the Lot Owners.

Section 6. Developer's Right To Change Development. With the approval of the appropriate governmental authority, and subject only to such terms and conditions as such authority may impose, Developer shall have the right, without consent or approval of the Lot Owners or the Association, to create Units, add, eliminate or alter Common Areas, and change, combine, reconfigure or reallocate Units within the Property.

Section 7. Dispute Resolution. The Declarant encourage the amicable resolution of disputes involving the Declaration and the Lots without the emotional and financial costs of litigation stated on **Exhibit "C"** attached hereto and incorporated herein by this reference.

However, in the event that an amicable resolution is not achieved, the dispute resolution mechanism for matters arising from the Declaration, Bylaws, or any matters arising from or related to the Property and its management or operation are stated on **Exhibit "C"**.

Section 8. CPI-U. Whenever a specific dollar amount is recited in this Declaration, unless limited by law or by the specific text hereof or unless held to be unconscionable, such amounts shall be increased from time to time by application of a nationally recognized consumer price index using the date of recordation of the Declaration as the base month and year. The index used shall be that published by the United States Department of Labor, Bureau of Labor Statistics, designated as "Consumer Price Index, all urban consumers, United States, 1982-84 = 100, all items". If the Bureau of Labor Statistics shall change the method for determining the consumer price index or in the event the Bureau of Labor Statistics shall cease to publish said

statistical information and it is not available from any other source, public or private, then the Board shall choose a reasonable alternative to compute such increases.

Section 9. Waiver of Jury Trial. ALL BOUND PARTIES (AS DEFINED ON EXHIBIT C) HEREBY ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION AS STATED HEREIN THEY HAVE IRREVOCABLY WAIVED THEIR RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS DECLARATION OR ANY OTHER AGREEMENT OR DOCUMENT DELIVERED IN CONNECTION HEREWITH OR THEIR ACQUISITION OR OWNERSHIP OF A LOT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF ANY SUCH RIGHTS AND OBLIGATIONS UNDER THE DECLARATION, OR THEIR ACQUISITION OR OWNERSHIP OF A LOT. IN THE EVENT THAT THE ARBITRATION PROVISION STATED HEREIN IS DEEMED INVALID OR UNENFORCEABLE BY A COURT OF COMPETENT JURISDICTION, THE ASSOCIATION AND ALL BOUND PARTIES HEREBY AGREE THAT ANY AND ALL DISPUTES, CLAIMS, DEMANDS, AND CAUSES OF ACTION SHALL BE TRIED NON-JURY, AND THEY EXPRESSLY WAIVE ALL RESORT TO TRIAL-BY-JURY OF ANY AND ALL ISSUES OTHERWISE SO TRIABLE.

NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS DECLARATION TO THE CONTRARY, THE TERMS STATED HEREIN MAY NOT BE AMENDED, DELETED OR MODIFIED AT ANY TIME OR IN ANY WAY WITHIN THIRTY (30) YEARS FOLLOWING THE RECORDATION OF THIS DECLARATION WITH THE RECORDING OFFICE WITHOUT THE PRIOR WRITTEN CONSENT OF THE DEVELOPER.

Section 10. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration will be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions will continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of George H. W. Bush, former president of the United States of America.

Section 11. No Affirmative Obligation Unless Stated. ANY RESERVATION OR RIGHT OF THE DEVELOPER WHICH IS STATED IN OR IMPLIED FROM THIS DECLARATION WILL NOT GIVE RISE TO ANY AFFIRMATIVE OBLIGATION OR DUTY ON THE PART OF THE DEVELOPER UNLESS EXPRESSLY STATED IN THIS DECLARATION.

Section 12. No Implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE DEVELOPER PURSUANT TO THIS DECLARATION WILL NOT CREATE ANY EXPRESS OR IMPLIED DUTY OF CARE TO ANY OWNER.

Section 13. Rights of Third Parties. This Declaration will be filed with the Recording Office for the benefit of the Developer, the Owners, and their mortgagees as herein provided, and by such recording, no adjoining property owner or third party will have any right, title or interest

whatsoever in the Property, except as expressly provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof. Subject to the rights of the Developer and mortgagees as herein provided, the Owners will have the right to extend, modify, amend, or otherwise change the provisions of this Declaration without the consent, permission, or approval of any adjoining owner or third party.

Section 14. Notices and Disclaimers as to Water Bodies. NEITHER DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUB-CONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY MARSH, LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY OR CONTRACTED FOR WITH AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES WITHIN THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

Section 15. COVENANTS RUNNING WITH THE LAND. IT IS THE INTENTION OF ALL PARTIES AFFECTED HEREBY (AND THEIR RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS) THAT THE COVENANTS IN THE DECLARATION AND BY-LAWS SHALL RUN WITH THE LAND AND WITH TITLE TO THE PROPERTY. IF ANY PROVISION OR APPLICATION OF THE COVENANTS IN THE DECLARATION AND BY-LAWS WOULD PREVENT THE COVENANTS FROM RUNNING WITH THE LAND AS AFORESAID, SUCH PROVISION OR APPLICATION SHALL BE JUDICIALLY MODIFIED, IF AT ALL POSSIBLE, TO COME AS CLOSE AS POSSIBLE TO THE INTENT OF SUCH PROVISION OR APPLICATION AND THEN BE ENFORCED IN A MANNER WHICH WILL ALLOW THE COVENANTS IN THE DECLARATION AND BY-LAWS TO SO RUN WITH THE LAND; BUT IF SUCH PROVISION OR APPLICATION CANNOT BE SO MODIFIED, SUCH PROVISION OR APPLICATION SHALL BE UNENFORCEABLE AND CONSIDERED NULL AND VOID IN ORDER THAT THE PARAMOUNT GOAL OF THE PARTIES AFFECTED HEREBY (THAT THE OTHER COVENANTS IN THE DECLARATION AND BY-LAWS RUN WITH THE LAND) BE ACHIEVED.

Section 16. CONSTRUCTION AND OTHER ACTIVITIES. ALL OWNERS AND THEIR FAMILY MEMBERS, TENANTS, GUESTS AND INVITEES ARE HEREBY PLACED ON NOTICE THAT DEVELOPER OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES MAY BE FROM TIME TO TIME, CONDUCTING EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE PROPERTY. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER

INTEREST, AND BY USING ANY PORTION OF THE PROPERTY, EACH SUCH OWNER AND THEIR FAMILY MEMBERS, TENANTS, GUESTS AND INVITEES AUTOMATICALLY ACKNOWLEDGE, STIPULATE AND AGREE (1) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (2) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE PROPERTY WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (3) DEVELOPER AND THE OTHER AFORESAID PARTIES WILL NOT BE LIABLE BUT, RATHER, SHALL BE HELD HARMLESS, FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, (4) ANY PURCHASE OR USE OF ANY PORTION OF THE PROPERTY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING, AND (5) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DEVELOPER TO SELL, CONVEY, LEASE OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE PROPERTY.

Section 17. Notices. Notices required hereunder will be in writing and will be delivered by hand or sent by United States Mail, postage prepaid or delivered by a nationally recognized delivery service. All notices to Lot Owners will be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the address of the Lot owned by the Lot Owner. All notices to the Association and the Developer will be delivered or sent to the Association or the Developer, respectively, at their designated address, or if no address has been designated, then to the address stated in their respective articles of incorporation filed with the South Carolina Secretary of State, as such address may change from time to time. Notices to any mortgagees will be delivered or sent to such addresses as such mortgagee specify in writing to the Association. Notices to any other person or persons entitled to same hereunder will be delivered or sent to such address or addresses as such person or persons specify, from time to time, in writing to the sender, or, in the absence thereof, to such address or addresses as will, in the exercise of reasonable judgment by the sender, reasonably expected to be received by such person or persons.

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EXHIBIT A
Description of Property

LOTS 1-92 and 99 - 105, including any and all improvements thereon, being shown and depicted on a plat prepared by F. Elliotte Quinn, III, RLS No. 10292 of Thomas & Hutton Engineering Co., dated June 16, 2008 entitled "Plat Showing Horizon Village, Phase 2 & Phase 3, Prepared for the City of North Charleston Housing Authority & TCG North Charleston, LLC, Horizon Village, City of North Charleston, Charleston County, S.C." recorded in the RMC Office for Charleston in Plat Book L08, Pages 0002 through 0011 on August 4, 2008.

Lot 1	TMS No. 469-03-00-052
Lot 2	TMS No. 469-03-00-053
Lot 3	TMS No. 469-03-00-054
Lot 4	TMS No. 469-03-00-055
Lot 5	TMS No. 469-03-00-056
Lot 6	TMS No. 469-03-00-057
Lot 7	TMS No. 469-03-00-058
Lot 8	TMS No. 469-03-00-059
Lot 9	TMS No. 469-03-00-060
Lot 10	TMS No. 469-03-00-061
Lot 11	TMS No. 469-03-00-062
Lot 12	TMS No. 469-03-00-063
Lot 13	TMS No. 469-03-00-064
Lot 14	TMS No. 469-03-00-065
Lot 15	TMS No. 469-03-00-066
Lot 16	TMS No. 469-03-00-067
Lot 17	TMS No. 469-03-00-068
Lot 18	TMS No. 469-03-00-069
Lot 19	TMS No. 469-03-00-070
Lot 20	TMS No. 469-03-00-071
Lot 21	TMS No. 469-03-00-072
Lot 22	TMS No. 469-03-00-073
Lot 23	TMS No. 469-03-00-074
Lot 24	TMS No. 469-03-00-075
Lot 25	TMS No. 469-03-00-076
Lot 26	TMS No. 469-03-00-077
Lot 27	TMS No. 469-03-00-078
Lot 28	TMS No. 469-03-00-079
Lot 29	TMS No. 469-03-00-080
Lot 30	TMS No. 469-03-00-081
Lot 31	TMS No. 469-03-00-082
Lot 32	TMS No. 469-03-00-083
Lot 33	TMS No. 469-03-00-084
Lot 34	TMS No. 469-03-00-085
Lot 35	TMS No. 469-03-00-086

Lot 36	TMS No. 469-03-00-087
Lot 37	TMS No. 469-03-00-088
Lot 38	TMS No. 469-03-00-089
Lot 39	TMS No. 469-03-00-090
Lot 40	TMS No. 469-03-00-091
Lot 41	TMS No. 469-03-00-092
Lot 42	TMS No. 469-03-00-093
Lot 43	TMS No. 469-03-00-094
Lot 44	TMS No. 469-03-00-095
Lot 45	TMS No. 469-03-00-096
Lot 46	TMS No. 469-03-00-097
Lot 47	TMS No. 469-03-00-098
Lot 48	TMS No. 469-03-00-099
Lot 49	TMS No. 469-03-00-100
Lot 50	TMS No. 469-03-00-101
Lot 51	TMS No. 469-03-00-102
Lot 52	TMS No. 469-03-00-103
Lot 53	TMS No. 469-03-00-104
Lot 54	TMS No. 469-03-00-105
Lot 55	TMS No. 469-03-00-106
Lot 56	TMS No. 469-03-00-107
Lot 57	TMS No. 469-03-00-108
Lot 58	TMS No. 469-03-00-109
Lot 59	TMS No. 469-03-00-110
Lot 60	TMS No. 469-03-00-111
Lot 61	TMS No. 469-03-00-112
Lot 62	TMS No. 469-03-00-113
Lot 63	TMS No. 469-03-00-114
Lot 64	TMS No. 469-03-00-115
Lot 65	TMS No. 469-03-00-116
Lot 66	TMS No. 469-03-00-117
Lot 67	TMS No. 469-03-00-118
Lot 68	TMS No. 469-03-00-119
Lot 69	TMS No. 469-03-00-120
Lot 70	TMS No. 469-03-00-121
Lot 71	TMS No. 469-03-00-122
Lot 72	TMS No. 469-03-00-123
Lot 73	TMS No. 469-03-00-124
Lot 74	TMS No. 469-03-00-125
Lot 75	TMS No. 469-03-00-126
Lot 76	TMS No. 469-03-00-127
Lot 77	TMS No. 469-03-00-128
Lot 78	TMS No. 469-03-00-129
Lot 79	TMS No. 469-03-00-130
Lot 80	TMS No. 469-03-00-131

Lot 81	TMS No. 469-03-00-132
Lot 82	TMS No. 469-03-00-133
Lot 83	TMS No. 469-03-00-134
Lot 84	TMS No. 469-03-00-135
Lot 85	TMS No. 469-03-00-136
Lot 86	TMS No. 469-03-00-137
Lot 87	TMS No. 469-03-00-138
Lot 88	TMS No. 469-03-00-139
Lot 89	TMS No. 469-03-00-140
Lot 90	TMS No. 469-03-00-141
Lot 91	TMS No. 469-03-00-142
Lot 92	TMS No. 469-03-00-143
Lot 99	TMS No. 469-03-00-150
Lot 100	TMS No. 469-03-00-151
Lot 101	TMS No. 469-03-00-152
Lot 102	TMS No. 469-03-00-153
Lot 103	TMS No. 469-03-00-154
Lot 104	TMS No. 469-03-00-155
Lot 105	TMS No. 469-03-00-156

EXHIBIT B

By-Laws and Articles of Incorporation for
Creekside at Horizon Village Homeowners Association, Inc.

**BY-LAWS
OF
CREEKSIDE AT HORIZON VILLAGE HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I
MEMBERS

Section 1. Membership in the Association. The Members of Creekside at Horizon Village Homeowners Association, Inc. (hereinafter referred to as “Association”) shall be every Lot Owner (as defined in this Declaration hereinafter described) of the Property (or portion thereof) subject to the provisions of the Declaration of Covenants, Restrictions and Easements for Creekside at Horizon Village, as the same may be amended from time to time, hereinafter referred to as the “Declaration”, having been made by Hunter Quinn Homes, LLC (hereinafter referred to as the “Developer”).

The Board of Directors of the Association may, after notice and hearing as provided in the Rules and Regulations, suspend any person from membership in the Association during any period of time when such person is in default of any of his obligations under the By-Laws (including, without limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such member.

Section 2. Membership Classes. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Developer, and 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 they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Developer (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the earliest occurring of the following events:

- (a) when Developer has sold all of the Lots; or
- (b) resignation by the Developer of its Class B membership in the Association; or
- (c) December 31, 2035.

When any Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, partners or in any other manner of joint or common ownership, then the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken.

Absent such advice, the Lot's vote shall be suspended if more than one person or entity seeks to exercise it.

Section 3. Voting Rights in the Association. The Members of the Association shall have the right to vote for the election and removal of directors and upon such other matters with respect to which a vote of members is required under the Declaration. Each Class A member shall be entitled to one (1) vote for each Lot owned. The Class B member shall be entitled to three (3) votes for each Lot owned. Members may cast all of such votes for any one director or may distribute them among the number to be elected, or any two or more of them, as he may see fit, provided, however, that all votes must be cast in whole numbers and not fractions thereof.

ARTICLE II MEETING OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the Members shall be held on such date as set by the Board of Directors. Such annual meetings shall be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meeting. Special meetings of the members may be called by the President, the Board of Directors, or subsequent to the first annual meeting, Class A members of the Association representing not less than five percent (5%) of the Class A voting power. The request for the special meeting shall be signed, dated and delivered to a corporate officer and shall describe the purpose for which the meeting is to be held.

Section 3. Place of Meeting. The Board of Directors may designate any location within Charleston County, South Carolina as the place for any annual meeting or special meeting called by the Board of Directors, and the President may designate any location as the place for any special meeting called by him.

Section 4. Notice of Meeting. Written notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or delivered not less than fifteen (15) days nor more than sixty (60) days before the date of the meeting, either personally or by first class mail, by or at the direction of the President or the Secretary or the person calling the meeting, to each member of the Association at his address as shown on the records of the Association. A member may, in writing, signed by him, waive notice of any meeting before or after the date of the meeting stated herein.

Section 5. Informal Action by Members. Any action required or permitted by law to be taken at a meeting of the Members of the Association may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by those Members representing eighty percent (80%) of the voting power of each class of membership, which consent shall be filed with the Secretary of the Association as part of the corporate records.

Section 6. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the members at

an open meeting of the Association shall be the presence at the meeting of Members or proxies entitled to cast twenty percent (20%) of the total vote of each class of membership.

Section 7. Conduct of Meetings. The directors may make such regulations as they deem advisable for any meeting of the Members, including proof of membership in the Association, evidence of the right to vote and the appointment and duties of inspectors of votes. Such regulation shall be binding upon the Association and its members.

Section 8. Delivery of Ballots. When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association a statement of certain motions to be introduced for vote of the members and a ballot on which each Member may vote for or against the motion. Each ballot which is represented at such meetings shall be counted in calculating the quorum requirements set out in Section 6 of this Article II. Provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

ARTICLE III DIRECTORS

Section 1. General Powers. The affairs of the Association shall be managed by its directors. The directors need not be members of the Association.

Section 2. Number and Tenure. The initial number of directors shall be three (3). At the first annual meeting, the Members shall elect two (2) directors for a term of two (2) years and one (1) director for a term of one (1) year. At each annual meeting thereafter, the Members shall elect director(s) for a term of two (2) years. Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by a sole remaining director, and if not previously filled, shall be filled at the next succeeding meeting of the Members of the Association. Any director elected to fill a vacancy shall serve as such until the expiration of the term of the director(s) whose position he was elected to fill. Election of directors may be conducted by mail ballot if the Board of Directors so determine.

Section 3. Annual Meeting. Annual meetings of the Board of Directors shall be held annually immediately following the annual meeting of the Members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without notice.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors by giving notice thereof as provided in Section 5 of this Article III. Such persons calling a special meeting of the Board of Directors may fix any location as the place for holding such special meeting.

Section 5. Notice. When notice of any meeting of the Board of Directors is required, such notice shall be given at least five (5) days previous to such meeting by written notice delivered personally or sent by mail to each director at his address as shown on the records of the Association.

If mailed, such notice shall be deemed to be delivered when deposited, postage prepaid, in the United States Mail in a properly addressed sealed envelope. Any director may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, the Articles of Incorporation, these By-Laws, or the Declaration.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting without further notice.

Section 7. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, any director may be reimbursed for his actual expenses incurred in the performance of his duties as director, but nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation therefore.

Section 9. Informal Action by Directors. Any action required or permitted by law to be taken at a meeting of directors may be taken without a meeting if a consent, in writing, setting forth the action so taken shall be filed with the Secretary of the Association as part of the corporate records.

Section 10. Removal of Directors. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association. The vacancy thus created by such a removal shall be filled as provided in Section 2 of this Article III.

ARTICLE IV POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) Adopt and publish Rules and Regulations governing the use of the Common Areas, and the personal conduct of the Members and their employees, clients, visitors, tenants, and invitees thereon, and to establish penalties for the infraction thereof.

(b) Suspend the voting rights and the rights to use of the common areas of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Prior to any suspension or assessment and fine, the Member will be entitled to a hearing procedure to be adopted by the Board which provides: (i) not less than

fifteen (15) days prior written notice of the expulsion, suspension, or termination and the reasons therefore; (ii) an opportunity for the Member to be heard, orally or in writing, not less than five (5) days before the effective date of the expulsion, suspension, or termination by a person or persons authorized to decide that the proposed expulsion, termination, or suspension not take place; (iii) such lesser notice or greater notice depending on the nature of the infraction so long as such notice and hearing process is fair and reasonable, taking into consideration all of the relevant facts and circumstances; (iv) written notice must be given by first class or certified mail sent to the last address of the Member shown on the corporation's records; (v) any proceeding challenging an expulsion, suspension, or termination, including a proceeding in which defective notice is alleged, must be commenced within one (1) year after the effective date of the expulsion, suspension, or termination; and (vi) that any Member who has been expelled or suspended shall remain liable to the Association for dues, assessments, or fees as a result of obligations incurred or commitments made before expulsion or suspension or arising thereafter so long as the Member is a Lot Owner. Such voting rights or rights to use common areas may also be suspended after notice and hearing, for a period not to exceed thirty (30) days, for infraction of published rules and regulations.

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

(d) Employ a manager, an independent contractor, an accountant, attorney, or such other employees as they deem necessary, and to prescribe their duties.

(e) Exercise for the Association all powers, duties and authority as set forth in the South Carolina Non-Profit Corporation Act of 1994.

(f) Publish a notice and hearing process to be used before a Member can be fined or suspended.

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 a one-fourth (1/4) vote of the Members who are entitled to vote;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) fix the amounts of all assessments;

(2) fix the amounts of penalties or fines;

(3) send written notices to Lot Owners in accordance with the terms thereof or as stated in the Declaration;

(4) file a lien against any Lot for which assessments or other payment obligations are not paid by the due date; and foreclose the lien against such Lot; and

(5) bring an action at law or in equity against an owner in violation of the terms and conditions of this Declaration.

(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 or leased by the Association.

(f) Manage the performance by the Association of its maintenance and landscaping obligations as stated in the Declaration.

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

(g) Cause the Common Areas, landscaping, and the other authorized areas to be maintained or improved.

ARTICLE V MERGERS / CONSOLIDATION

To the extent and in the manner provided by law, the Association may participate in mergers and consolidation with other non-profit associations organized for the same purpose, provided, however, that any such merger or consolidation shall require approval by the vote of two-thirds (2/3) of the Members at a meeting duly called for such purpose.

Upon merger or consolidation of the Association with another association or associations, its property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving Association pursuant to a merger. The surviving or consolidated association may administer the existing property, together with the covenants and restrictions established upon any other property as one plan. No merger or consolidation shall affect any revocation, change or addition to the Declaration, including without limitation, the maximum limits on assessments and dues of the Association, or any other matter substantially affecting the interest of members of the Association.

ARTICLE VI OFFICERS

Section 1. Officers. The officers of the Association shall be a President, Vice President, and Secretary-Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person except the offices of President and Secretary. The President shall be a director of the Association. Other officers may be, but need not be, directors of the Association.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interest of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors, except as otherwise determined by the Board of Directors. The President shall be chief executive officer of the Association.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the 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.

ARTICLE VII COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of one (1) or more directors, which committees, to the extent provided in the resolution shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association; provided, however, that no such committee shall have the authority of the Board of Directors as to the following matters:

(a) the dissolution, merger or consolidation of the Association; the amendment of the Articles of Incorporation of the corporation; or the sale, lease or exchange of all or substantially all of the property of the Association;

(b) the designation of any such committee or the filling of the vacancies in the Board of Directors or in any such committee;

(c) the amendment or repeal of these By-Laws or the adoption of new By-Laws;
and

(d) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated by a resolution adopted by a majority of directors present at a meeting of which a quorum is present. Such committees shall perform such duties and have such powers as may be provided in the resolution.

Section 3. Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE IX BOOKS AND RECORDS OF THE ASSOCIATION

The books, records and paper of the Association shall at all times be subject to the inspection by any member during reasonable business hours. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection and purchase by any member at the principal office of the Association. The Association may make a reasonable charge for copies of documents made for members.

ARTICLE X PROXIES

Section 1. Each Member entitled to vote may vote in person or by proxy at all meetings of the Association.

Section 2. All proxies shall be executed in writing by the member or by his duly authorized attorney-in-fact and filed with the secretary-treasurer; provided, however, that proxies shall not be required for any action which is subject to a referendum in accordance with the Declaration. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date and no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Any proxy shall automatically cease upon sale by the Member of his Lot.

ARTICLE XI CONSTRUCTION

In the event of a conflict between the Declaration and the Articles of Incorporation or the By-laws, the Declaration shall control; and in the case of any conflict between the Articles of Incorporation and the By-Laws that the Declaration does not resolve, the Articles of Incorporation

shall control. The Corporation, Directors, and Officers shall have all powers as set forth in the South Carolina Nonprofit Corporation of Act of 1994 (the “Act”). In the event of a conflict, the By-Laws shall prevail if such conflict is permitted by terms of the Act. If there is a conflict in the By-Laws which are not permitted by the Act, then the terms of the Act shall prevail.

Exhibit “C”
Dispute Resolution Process

A. Requirements for Action by the Association.

(1) No judicial or administrative proceeding with an amount in controversy exceeding \$100,000.00, as adjusted as provided herein, will be commenced or prosecuted by the Association unless all of the following conditions are satisfied: (a) the decision and vote to commence such action or proceeding shall be made at special meeting of the Association; (b) a budget for such litigation, including all fees and costs assuming trial and all potential appeals, shall have been prepared by the attorneys who will be engaged by the Association for such purpose, and shall have been mailed or delivered to all Members and posted at the principal office of the Association at least 30 days prior to such special meeting; and (c) at such special meeting 75% or more of the Members shall approve the decision to commence, and the proposed budget for, such action or proceeding, and shall concurrently approve the imposition of a Special Assessment to fund the costs of such action or proceeding in accordance with the approved budget.

All of the costs and expenses of any action or proceeding requiring the approval of the Members in accordance with this paragraph shall be funded by means of a Special Assessment pursuant to Section 5 and in no event may the Association use reserve funds, maintenance funds, capital improvement funds, or contingency funds; reallocate previously budgeted operating funds; or incur any indebtedness in order to pay any costs and expenses incurred or anticipated to be incurred for such purpose. Further, if the Association commences any action or proceeding against a particular Member or particular Members requiring the approval of the Members in accordance with the foregoing, the Member(s) against whom suit is being considered shall be exempted from the obligation to pay the Special Assessment(s) levied in order to pay the costs and expenses of such action or proceeding. The Association shall be authorized to expend funds for such proceeding in excess of the amount contemplated by the approved budget only after an amended budget has been approved in accordance with the procedures specified in the foregoing subparts (a), (b) and (c) stated above.

However, the terms hereof will not apply, however, to (i) actions brought by the Association to enforce the provisions of the Declaration and By-Laws, including, without limitation, the foreclosure of liens; (ii) the imposition, collection and enforcement of Assessments; (iii) proceedings involving challenges to ad valorem taxation; (iv) counterclaims brought by the Association in proceedings instituted against it; or (v) actions brought by the Association to enforce written contracts with its suppliers and service providers. This provision cannot be amended unless the amendment is approved by Members representing 75% or more Voting Interests, and pursuant to the same procedures necessary to institute proceedings as provided above.

(2) Prior to the Association or any Member commencing any proceeding to which the Developer or an affiliate of Developer is a party, including, without limitation, a proceeding based on an alleged defect in any Townhome, the Developer or an affiliate of

the Developer shall have the right to be heard by the Members, or the particular Member, and to have access to inspect and correct the condition of or redesign any portion of any Improvement as to which a defect is alleged or to otherwise correct or resolve the dispute.

(3) The terms hereof cannot be amended without the approval of the Members representing 75% in the Association and also without the express written permission of the Developer. These provisions will apply in addition to the negotiation and arbitration provisions stated herein below.

B. Alternative Method for Resolving Disputes. Developer, its officers, directors, members, managers, employees and agents, the Association, its officers, directors and committee members, its affiliates, all Lot Owners, Members, and any affiliate of Developer, and their respective officers, directors, members, managers, employees and agents, and any other person or entity not otherwise subject to this Declaration who agrees to submit to the terms hereof (each such person or entity being herein referred to as a "Bound Party" or, in groups, as the "Bound Parties") each agrees to encourage the amicable resolution of disputes between and among themselves, as well as the architects, engineers, design professionals and construction contractor of the Property, each of whom are intended to be, and shall be, a third-party beneficiary hereof, involving the Declaration or any portion of the Property, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances and disputes described below (as further described below, the "Claims") to the procedures set forth below.

C. Claims. Each Bound Party covenants and agrees that all claims, grievances and disputes, including those in the nature of counterclaims or cross-claims, and whether based upon contract, tort, statute, common law or otherwise, between and among Bound Parties involving the Declaration or the Association (but not matters applicable solely to the Association and the Declaration), including without limitation, claims, grievances or disputes arising out of or relating to the design and/or construction of or the Property, or any portion thereof, or interpretation, application or enforcement of the Declaration (collectively "Claims"), except for exempt claims under herein, are subject to the procedures set forth below.

D. Claims Procedure. Unless specifically exempted below, all Claims between any of the Bound Parties, regardless of how such Claims might have arisen or on what they might be based, including, but not limited to, Claims: (i) arising out of or relating to the interpretation, application or enforcement of the Declaration and By-Laws or the rights, obligations and duties of any Bound Party under the Declaration and By-Laws; (ii) relating to the design and construction of Improvements; or (iii) based on any statements, representation, promises, warranties, or other communications alleged to have been made by or on behalf of any Bound Party, shall be subject to the provisions hereof.

Notwithstanding the foregoing, unless all parties to any such dispute otherwise agree in writing, the following shall not be deemed to be Claims subject to the provisions stated herein:

- (1) any proceeding by the Association against any Bound Party to enforce the terms of Declaration, including without limitation any action to collect Assessment or enforce the Association's lien;
- (2) any proceeding by the Association to obtain a temporary restraining order or injunction (or equivalent 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 or the Developer's ability to act under and enforce the provisions of the Declaration;
- (3) any proceeding between or among Lot Owners, which does not include the Developer or the Association as a party, if such proceeding asserts a Claim which would constitute a cause of action independent of the Declaration and By-Laws; or
- (4) any proceeding in which no Bound Party is an indispensable party.

E. Mandatory Procedures. With the consent of all parties thereto, any dispute involving any of the foregoing excepted actions may be submitted to the alternative dispute resolution procedures set forth herein.

(1) Notice. Any Bound Party having a Claim (the "Claimant") against any other Bound Party (the "Respondent") (the Claimant and the Respondent being herein individually referred to as a "Party" and collectively as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

- (i) the nature of the Claim, including the persons or entities involved and the Respondent's role in the Claim;
- (ii) the legal basis of the Claim (i.e., the specific provisions of the Declaration and By-Laws or other authority out of which the Claim arises);
- (iii) the proposed remedy; and
- (iv) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(2) Negotiation and Mediation.

- (i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board of Directors of the Association may appoint a representative to assist the Parties in their negotiations.
- (ii) If the Parties do not resolve the Claim within 30 days after the date of the Notice (or within such other time period as may be agreed upon by the Parties), Claimant shall have an additional 30 days in which to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate.
- (iii) If Claimant does not submit the Claim to mediation within such time, or 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 the Respondent from any liability to any Person other than the Claimant.

- (iv) Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to AAA mediation, or within such other time as may be determined by the mediator or agreed to by the Parties, the mediator shall issue a written notice of termination of the mediation process, which notice shall state that the Parties are at an impasse and set forth the date that mediation was terminated (hereinafter "Termination of Mediation").
- (v) Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all fees and expenses of the mediator and the administrative fees of mediation. If the Parties agree to a resolution of a Claim through negotiation or mediation as set forth herein and any Party thereafter fails to abide by the terms of the settlement agreement, any other Party may file suit or initiate arbitration proceedings to enforce the agreement without the need to again comply with the procedures set forth herein. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the noncomplying Party (or, if more than one Party is in noncompliance, from all non-complying Parties pro rata) all costs incurred by such Party in enforcing the agreement, including, without limitation, attorneys' fees and court costs.

(3) Binding Arbitration.

- (i) After Termination of Mediation, Claimant shall be entitled to submit the Claim to final, binding arbitration under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. No Claim subject to the terms hereof, whether by the provisions thereof or by agreement of the Parties, shall be submitted to or decided by or in a court of law. Any judgment upon the award entered by the arbitrator may be entered in and enforced by a court of competent jurisdiction. If the amount claimed by the Complainant, or by the Respondent in a counterclaim, exceeds \$250,000, as adjusted by CPI-U, the Claim shall be heard and determined by three arbitrators. Otherwise, unless the Parties otherwise agree, the Claim shall be heard and determined by one arbitrator. An arbitrator shall have expertise in the areas of the Claim, which may include legal expertise if legal issues are involved.

- (ii) Each Party shall bear its own costs of the arbitration, including attorneys' fees, and each Party shall share equally all fees and expenses of the arbitrator and the administrative fees of arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions regarding the ability of Claim to arbitrated shall be decided by the arbitrator(s).
- (iii) The award of the arbitrators shall be accompanied by detailed written findings of fact and conclusions of law. Except as required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all Parties involved in the arbitration.

F. Jurisdiction. In addition to the arbitration provisions stated herein, with respect to any Claims or actions arising under this Declaration, each Bound Party irrevocably submits to the exclusive jurisdiction of the courts of the State of South Carolina and the United States District Court having jurisdiction over the county in which the Property is located, and appellate courts from any thereof, and (b) irrevocably waives any objection which it may have at any time to the laying on venue of any suit, action or proceeding arising out of or relating to this Declaration brought in any such court, and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

G. Capacity of Claimant. In addition to the arbitration provisions stated herein, with respect to any Claims or actions arising under this Declaration, each Bound Party agrees that any Claims brought must be brought in the Bound Party's individual capacity and not as a plaintiff or class member in any purported class or representative proceeding.

H. Amendment. Notwithstanding any other provisions of this Declaration to the contrary, the terms of this **Exhibit "C"** may not be amended, deleted or modified at any time or in any way within thirty (30) years following the recordation of this Declaration with the Recording Office without the prior written consent of the Developer.