

## **DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS FOR PINELAND LAKES SUBDIVISION**

THIS DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS FOR PINELAND LAKES SUBDIVISION is made as of the \_\_\_\_\_ day of March, 2007 by Pineland Lakes, LLC (hereinafter referred to as “Declarant”).

### **BACKGROUND STATEMENT**

Declarant is the owner of certain real property in Horry County, South Carolina, which is more particularly described on Exhibit “A” attached hereto and made a part hereof.

Declarant intends to develop on lands, including the real property described above, a development to be known as Pineland Lakes (hereinafter referred to as the “Development”). Declarant intends by this Declaration to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the property now or hereafter made subject to this Declaration, by recording of this Declaration and amendments thereto. Declarant also desires to establish a method for the administrators, maintenance, preservation, use and enjoyment of the property that is now or hereafter subjected to this Declaration and certain other properties described in this Declaration.

Declarant has caused the Association (as hereafter defined) to be formed as a corporation to perform certain functions for the common good and general welfare of the owners (as hereinafter defined).

The Declarant hereby declares that all of the real property described above shall be held, sold and conveyed subject to this Declaration of Covenants, Restrictions, and Easements, which is for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property (as hereinafter defined). The covenants, restrictions, and easements set forth herein shall run with the Property, and shall be binding on all parties having or acquiring any right, title or interest in the property or any part thereof, and shall, subject to the limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, devisees, successors and assigns and to the benefit of the Association.

ARTICLE I  
DEFINITIONS

The following words, when used in this Declaration of Covenants, Restrictions, and Easements, shall have the following meanings:

- 1.01 Association: “Association” means Pineland Lakes Homeowners Association, Inc. (a corporation organized under the South Carolina Code of Laws), its successors and assigns.
- 1.02 Board: “Board” means the Board of Directors of the Association.
- 1.03 By-Laws: “By-Laws” means the By-Laws of the Association.
- 1.04 Commencement Date: “Commencement Date” means the date on which the first lot is conveyed to a third party other than the Declarant.
- 1.05 Common Property: “Common Property” means all real property (together with any and all improvements now or hereafter located thereon) owned by the Association or in certain instances over which the Association has been granted permanent easements, for the common use and enjoyment of the owners.
- 1.06 Declarant: “Declarant”, Pineland Lakes, LLC, and its successor-in-title and assigns, provided any such successors-in-title or assigns shall acquire for the purpose of development or sale all or any portion of the remaining undeveloped or unsold portions of the real property described in Exhibit “A”, or the real property which is intended to become part the development, and provided further, in the instrument of conveyance to any such successor-in-title or assign, such successor-in-title or assign is designated as the “Declarant” hereunder by the Grantor of such conveyance, which Grantor shall be the “Declarant” hereunder at the time of such conveyance; provided, further, upon such designation of successor Declarant, all rights and obligations of the former Declarant in and such status as “Declarant” hereunder attached hereto, and which is now or hereafter subjected to this Declaration, there shall be only one person or legal entity entitled to exercise the rights and powers of the “Declarant” hereunder at any one time.
- 1.07 Development-wide Standard: “Development-Wide Standard” shall mean the standard of conduct, maintenance or other activity generally prevailing in the Development. Such standard may be more specifically determined by the Board and by committees required or permitted to be established pursuant to this Declaration or the By-Laws. Such determinations, however, must be consistent with the Development-Wide standard originally established by the Declarant.

- 1.08 Lot: “Lot” means any parcel of land shown upon a subdivision plat recorded in the office of the Clerk of Court for Horry County, covering any portion of the Property, as such boundaries may be modified in accordance with Section 6.03; provided, however, that no portion of the common Property shall ever be a Lot except as provided in section 2.05.
- 1.09 Member: “Member” means any member of the Association.
- 1.10 Membership: “Membership” means the collective total of all Members of the Association.
- 1.11 Occupant: “Occupant” shall mean any person occupying all or any portion of a Residence located within the Development for any period of time, regardless of whether such person is a tenant or the owner of such property.
- 1.12 Owner: “Owner” means the record owner (including Declarant), whether one of more persons or entities, of a fee simple title to any Lot, provided, however, that repayment of a loan, the person or entity who would own the Lot in fee simple if such loan were paid in full shall be considered the Owner.
- 1.13 Parcel: “Parcel” shall mean and refer to separately designated residential areas comprised of various types of housing initially or annexation made subject to this Declaration. For example, and by way of illustration and not limitation, a condominium development, a townhouse development, and a single family detached home subdivision may all be designated as separate parcels. If separate parcel status is desired, the Declarant shall designate in an amendment to this Declaration subjecting the property to the terms and conditions of this Declaration shall be considered a part of the same parcel. The Board may also grant parcel status to any area if so requested in writing by the owners holding at least seventy-five 75% percent of the total vote entitled to vote thereon in such area.
- 1.14 Property: “Property” means that certain real property hereinabove described, together with such additional real property as may be subjected to the provisions of this Declaration-in accordance with the provisions of Article X hereof.
- 1.15 Residence: “Residence” shall mean the structure and the Lot on which it is situated which is intended for independent use and occupancy as a residence for a single family.

- 1.16 Restriction(s): “Restriction(s)” means all covenants, restrictions, easements, charges, liens and other obligations created or imposed by this Declaration.
- 1.17 Structure: “Structure” means:
- (a) Any thing or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, dock, fence, curbing, paving, wall, tree, shrub (and all other forms of landscaping), sign, signboard, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Lot.
  - (b) Any excavation, grading, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from, upon or across any Lot; and
  - (c) Any change in the grade at any point on a Lot of more than six (6) inches; whether or not Subsection (b) of this section 1.17 applies to such change.

ARTICLE: II  
COMMON PROPERTY

- 2.01 Conveyance of Common Property:
- (a) The Declarant may from time to time convey to the Association or grant easements to the Association, at no expense to the Association and in accordance with this Section, real and personal property for the common use and enjoyment of the Owners of Residences (such real and personal property is hereinafter collectively referred to as “Common Property”) and, to the extent set forth in this Declaration of Covenants, Restrictions, and Easements, and the general public. The Association hereby covenants and agrees to accept from the Declarant all such conveyances of Common Property.
  - (b) It is contemplated by the Declarant that the Declarant will convey to the Association Common Property for scenic and natural area preservation and for general recreational use. The Declarant may, at Declarant’s sole discretion, modify, alter, increase, reduce and otherwise change the Common Property contemplated to be conveyed to the Association in

accordance with this subsection (b) of this Section 2.01 at any time prior to conveyance of such Common Property to the Association;

- (c) In addition to the property described in Subsection (b) of this Section 2.01, the Declarant may convey to the Association in accordance with this section 2.01 such other real and personal property as the Declarant may determine to be necessary or proper for the completion of the Development.
- (d) Notwithstanding any legal presumption to the contrary, the fee title to, and all rights in any portion of the Property owned by the Declarant and designated as Common Property or designated public use shall be reserved to the Declarant until such time as the same shall be conveyed to the Association or to any municipality or other governmental body, agency or authority.
- (e) Lakes and drainage ways shall, without limitation, be included in the property that may be conveyed by Declarant and which shall be accepted by the Association. Declarant shall not be required to make any improvements whatsoever to the property to be conveyed and accepted pursuant to this section including, without limitation, dredging or otherwise removing silt from any lake that may be conveyed.

2.02 Right of Enjoyment: Every Owner of a Lot shall have the right and easement to use and enjoy the Common Property, which by right shall be appurtenant to and shall pass title with the title to every Lot upon transfer; provided, however, that no owner shall do any act which interferes with the use and enjoyment of the Common Property by all other owners. The Association may permit persons who are not Owners of Lots to use and enjoy all parts of all the Common Property subject to such limitations, and upon such terms and conditions, as it may from time to time establish. The right and easement of enjoyment granted or permitted by this section 2.02 is subject to suspension by the Association as provided by Sections 2.03 (d) and 3.05. *The Declarant reserves unto itself, its principals, heirs and assigns, the rights of each Owner of a Lot, for the use of Common Property, in perpetuity.*

2.03 Rights of the Association: The rights and privileges conferred in Section 2.02 hereof shall be subject to the right, and where applicable, the obligation, of the Association acting through the Board to:

- (a) Promulgate rules and regulations relating to the use, operation and maintenance of the Common Property;
- (b) Borrow money for the purpose of carrying out activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to

encumber by mortgage or other security interest any or all of the Association's property including Common Property and revenues from assessments, user fees and other sources; and provided, however, that during this period when the Declarant has the right to appoint members of the Board, the Association shall not deed, grant or convey to anyone any mortgage or other security interest on or in the Common Property constituting real estate without approval by Declarant and three-fourths (3/4) vote of the Members who are present in person or by proxy and voting at a meeting of members duly held in accordance with the By-Laws of the Association;

- (c) *File an action (civil or other), enter into a lawsuit as a plaintiff, or otherwise seek legal remedies against parties for any reason, provided however, that, with the exception of collections of fees due the Association by Owners, such action shall require written approval of Declarant, and three-fourths (3/4) vote of the Members of the Association. The Declarant reserves the right to expand these powers upon written request from the Owners.*
- (d) Grant easements or rights-of-way over Common Property to any municipality or other government body, agency or authority, to any quasi-public agency, or to any utility company or cable television system;
- (e) Suspend, pursuant to Section 3.05, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.02;
- (f) Enforce all applicable provisions of valid agreements of the Association relating to the Common Property of any part thereof; and
- (g) Maintain any and all landscaping treatments previously installed by the Declarant, to the extent that such is not otherwise maintained by the county and/or municipal entity having jurisdiction over the roads serving the Property.

2.04 Conveyance of Common Property by Declarant to Association: The Declarant may transfer or convey to the Association any personal property and any improved or unimproved property leasehold, easement or their interest, which is or may be subjected to the terms of this Declaration. Such conveyance shall be accepted by the Association and the property shall thereafter be Common Property to be maintained by the Association for the benefit of all its Members. Lakes and drainage ways, if any, shall, without limitation, be included in the property that may be conveyed by Declarant and which shall be accepted by the Association.

2.05 Types of Common Property: At the time of the conveyance of any real property or grant of easement by the Declarant to the Association to be used as Common

Property, the Declarant shall designate in the deed of conveyance or easement that such real property is to be Common Property, and further may designate in the deed of conveyance or easement the specific or general purpose or purposes for which such real property or any portion thereof may be used, and in such event, such real property or portion thereof shall not be used for any different purpose or purposes without the prior written consent of the Declarant and two-thirds (2/3) vote of the Members of the Association.

- 2.06 Delegation of Use: Any Owner may delegate to the members of his family or tenants who reside on a Lot, in accordance with the By-Laws, his right to use and enjoy the Common Property.
- 2.07 Maintenance: The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair, replacement, subject to any insurance then in effect, of all landscaping and improvements situated on the Common Property. In addition, the Association shall maintain grass and other landscaping located along or in dedicated rights of way, which were installed and maintained by Declarant, to the extent permitted by the applicable governmental authority, and shall maintain all entry features and retention ponds for the Development. On drainage ways that abut adjoining property, the Association will share in the cost of their maintenance with the adjoining property. Lot owners shall be responsible for maintenance of the lake bank areas adjacent to, and lying between, their lots and the lake. Lot owners adjacent to drainage ways shall be responsible for maintenance of grassed drainage swales that form a portion of, or which are included with, their lot. The forgoing maintenance shall be performed consistent with the Development-wide standard.
- 2.08 Roads, roadways, sidewalks, curbs, etc: The Association shall be authorized to own and/or maintain Common Property, equipment, furnishings and improvements devoted to the following uses:
- (a) For roads, roadways or bridges within the Property;
  - (b) For sidewalks, curbs, walking paths, bike paths, golf cart paths, parks, walkways or trails within the Property; and
  - (c) For Common Property.
- 2.09 Services: The Association shall be authorized but not required (except as noted) to provide the following services:
- (a) Cleanup and maintenance of all roads, roadways, entrances, parkways, and other Common Property within the Property;
  - (b) Landscaping of roads and parkways, entrances, sidewalks, and walking paths;

- (c) Lighting of roads, entrances, sidewalks and walking paths throughout the Property;
- (d) To construct improvements on Common Property for use for any of the purposes or as may be required to provide the services as authorized in this section;
- (e) To provide administrative services including, but not limited to legal, accounting and financial and communication services, informing members of activities, Notice of Meetings, etc., incident to the above listed services;
- (f) To provide for security guards, security gates or guard houses as deemed necessary by the Board of Directors.

Required Association Services:

- (g) The Association shall maintain adequate liability and hazard insurance covering improvements and activities on the Common Property; and
- (h) The Association shall collect fees, in accordance with the Agreement between Declarant and HTC, for Cable TV, Internet, and Telephone, from each Residence Owner, and make such contractual payments as such Agreement shall dictate.

2.10 Obligation of the Association: The Association shall not be obligated to carry out or offer any of the functions and services specified by the provision of this Article except as noted above. The functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Members of the Association.

The Association shall also have the right, but not the obligation, to maintain and provide services for other property not owned by the Association, whether located within or without boundaries of the Development, and to enter into easements and agreements to share costs regarding such property where the Board determined that this would benefit the Owners.

ARTICLE III  
PINELAND LAKES HOMEOWNERS ASSOCIATION

3.01 Purposes, Powers and Duties of the Association: The Association shall be formed as a Corporation for the sole purpose of performing certain functions for the common good and general welfare of the people of the Development. The Association shall have no power or duty to do or perform any act or thing other than those act and things that will promote in some way the common good and general welfare of the people of the Development. To the extent, and only to the extent, necessary to carry out such purposes, the Association (a) shall have all of the powers of a corporation organized under South Carolina Code of Laws and (b) shall have all the power and duty to exercise all of the rights, powers, and



privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration.

3.02 Membership in the Association: Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in this Declaration of Covenants, Restrictions, and Easements. For purposes of voting, there shall be two (2) classes of members set forth in this section 3.03

3.03 Voting Rights:

- (a) Each Owner of a Lot, with the exception of the Declarant, shall be a Class A Member and shall be entitled to one (1) Class A vote per Lot owned by such Owner. Where such Owner is a group or entity other than one individual person, the vote on behalf of such owner shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by on behalf of such group or entity and delivered to the Secretary of the Association.
- (b) The Declarant, or its principals, heirs or assigns, shall be the sole Class B Member and shall be entitled to *twelve (12) votes* for each Lot owned; provided, however, in no event shall the Class B Member have less than the total number of Class A votes plus one (1). The Class B Membership shall cease and be converted to Class A Membership at such time as Declarant no longer retains the right to appoint and remove members of the Board of Officers of the Association pursuant to Section 3.08 below.
- (c) The Development may be composed of Lots to be developed in phases containing unequal numbers of lots. Each such phase will be platted of record in the Office of the Clerk of Court for Horry County in accordance with Article X of this Declaration. The Declarant shall notify the Association in writing when the final phase of the Development has been so platted of record. By acceptance of a deed conveying a Lot, each Owner acknowledges that, upon the filing by the Declarant of the Subdivision plats covering such phases, the total votes outstanding in the Association will automatically increase based upon the number of Lots on the phases added and in accordance with the formula set forth in subsection (b) of this section 3.03 and in no event shall Class B Membership cease and be converted to Class A membership (as provided in Subsection (b) of this section 3.03) until after the Association receives the written notice provided for in the preceding sentence; provided, however, nothing contained herein shall obligate the Declarant to develop any proposed phase of the Development unless such phase is subjected to this Declaration.

3.04 Board of Directors: The affairs of the Association shall be managed by a Board of Directors. The number of Directors and the method of election of Directors shall be set forth in the By-Laws of this Association.

3.05 Suspension of Membership: The Board may suspend the voting rights of any Member and the right of enjoyment of the Common Property of any person who:

- (a) Shall be subject to the Right of Abatement, as defined in Section 8.02 by reason of having failed to take the reasonable steps to remedy a violation or breach of either the Restrictions or the Design Standards of the ACC (as herein defined) within thirty (30) days after having received notice of the same pursuant to the provisions of Article IV hereof; or
- (b) Shall be delinquent in the payment of any assessment levied by the Association relating to the use, operation and maintenance of Common Property.

Such suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in Subsection of the Section 3.05, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress or egress from his Lot.

3.06 Control by Declarant:

- (a) Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the By-Laws of the Association, Declarant hereby retains the right to appoint and remove any members of the Board of the Association, any officer or officers of the Association until fifteen (15) days after the first of the following events shall occur: (i) the expiration of ten (10) years after the date of the most recent and last phase by Declarant, (ii) the date upon which all of the Lots intended by Declarant to be part of the Development have been conveyed to the Owners other than Declarant; or (iii) the surrender by Declarant of the authority to appoint and remove directors and officers by an express amendment to this Declaration executed and recorded by Declarant.
- (b) Upon the expiration of the period of Declarant's right to appoint and remove Directors and Officers of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners, including Declarant if Declarant then owns one or more Lots; and a special meeting of the Association shall be called at such time. At such special meeting the owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board and Declarant shall deliver the books, account, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed

by or on behalf the Association during such period which Declarant has in its possession. Each owner by acceptance of a deed to or other conveyance of a Lot vests in Declarant such authority to appoint and remove Directors and Officers of the Association as provided in this Section. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

#### ARTICLE IV ASSESSMENTS

- 4.01 Covenants for Assessments and Creation of Lien and Personal Obligation: Each owner of a Lot, jointly and severally, for himself, his heirs, devisees, legal representatives, successors and assigns, by acceptance of a deed for a Lot, whether or not the covenants contained herein shall be expressed in any such deed, hereby covenants and agrees as follows:
- (a) To pay to the Association the annual assessment that may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him.
  - (b) To pay to the Association any special assessment for capital improvements and other charges that may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him.
  - (c) To pay such monthly assessments as have been established for cable TV, Internet service, and telephone service.
  - (d) That there is hereby created a continuing charge and lien upon all Lots owned by him against which all such assessments are made to secure payment of such assessments and any interests thereon as provided in Section 4.09 hereof and costs of collection including reasonable attorney's fees.
  - (e) That such continuing charge and lien on such Lot binds such Lot in the hands of the then Owner, and the Owner's heirs, devisees, legal representatives, successors and assigns. Such charge and lien is superior to any and all charges, liens of encumbrances which may hereafter in any manner arise or be imposed upon such Lots whether arising from or imposed by judgment or decree or by any agreements, contracts, mortgage, or other instrument, except (i) such liens for taxes or other public charges as are applicable by law made superior, and (ii) all mortgages given to secure a loan the proceeds of which are used to (1) purchase a Lot or Lots together with any and all structures which may from time to time be placed or located thereon or (2) finance the construction, repair, or alteration of any or all structures which may from time to time be placed or located thereon.

- (f) That no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Lot from liability for any assessment thereafter assessed.
- (g) That all annual, special and specific assessments (together with interest thereon as provided in Section 4.09 if this Declaration and costs of collection including reasonable attorney's fees) levied against any Lot owned by him during the period that he is an Owner shall be (in addition to being a continuing charge and lien against such Residence as provided in Section 4.01 (c) of this Declaration) a personal obligation which will survive any sale or transfer of the Residence owned by him; provided, however, that such personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless expressly assumed by such successor.

4.02 Purpose of Assessments: The assessments levied by the Association shall be used exclusively for the purpose of providing for the common good and general welfare of the people of the Development, including, but not limited to, security, the acquisition, construction, improvement, maintenance, and equipping of Common Property, the enforcement of the restrictions contained in this Declaration, the enforcement of the Design Standards of the ACC, the payment of all principal and interest when due on all debts owed by the Association.

4.03 Accumulation of Funds Permitted: The Association shall not be obligated to spend in any calendar year all the sums collected in such year by way of annual assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

4.04 Initial Annual Assessment and Capital Contribution:

- (a) Beginning *six months (180 days) after* the Commencement Date and continuing thereafter until January 1 of the year immediately following the Commencement Date, each Lot shall be subject to an annual assessment of *Seven Hundred Fifty and no/100s (\$750.00)* Dollars per Lot. Each year thereafter the annual assessment may be adjusted pursuant to Sections 4.04 (b) and (c) below. In the event that the Commencement Date falls on the day other than January 1, the annual assessment for such year shall be prorated so that each owner pays an annual assessment proportional to the number of days remaining in the calendar year. The words "Assessment Year" as used herein shall mean the calendar year, and the First Assessment Year shall be the year in which this Declaration is recorded.

- (b) Upon the initial sale of each Lot and Residence by the Declarant, or the Declarant's successor in title, each Owner purchasing such Lot and Residence shall pay to the Association the sum of ***Five Hundred and no/100s (\$500.00)*** Dollars, which shall not be a prepaid assessment, but which shall constitute a separate payment to be considered a Capital Contribution to provide for initial operating funds.
- (c) Commencing with the first Assessment Year and continuing thereafter, without a vote of the membership, the annual assessment may be increased, or decreased, as approved by the Board of Directors.
- (d) ***The Association shall endeavor to maintain a Capital Account having surplus funds equal to one year's total expenses, excluding Contract Cable fees, after which the Association may reduce Annual Assessments to an amount of the expected Annual Budget. The Association may, using Clubhouse rental revenues, reduce or entirely eliminate Annual Assessments exclusive of Contract Cable Fees, after the Capital Account surplus equals annual expenses, provided however that Clubhouse rental revenues from the previous year are adequate to support this action.***

4.05 Special and Parcel Assessments:

- (a) In addition to the annual assessments authorized by this Article IV, the Association may levy, in any Assessment Year and with such frequency as the Association shall deem necessary, special assessments for the purpose of paying, in whole or in part, any anticipated operating expenses, as well as the cost of any construction, reconstruction, repair or replacement or a capital improvement on the Common Property. Such special assessments may be levied by the Board in any Assessment Year without the approval of the Members, ***for repair, replacement or maintenance that may exceed the expected budget. Where such expense shall be for any new construction exceeding 15% of the annual budget, the Association shall notify all Members of its intent to consider such action, and shall designate a special meeting of Members, before the Association Board, to discuss the proposed action. The Association shall have the approval of two-thirds (2/3) of the Members present at such meeting, with proper and adequate notice, in order to levy special assessments for such new construction.***
- (b) The Association shall also be authorized to levy, in any Assessment Year and with such frequency as the Association shall deem necessary, parcel assessments for the purpose of paying, in whole or in part, the cost of estimated expenses for the sole benefit of a particular parcel, which Parcel assessments shall be allocated equally among the Lots in the Parcel.

4.06 Assessment Procedure:

- (a) The Board shall establish the annual assessment for each Assessment Year at an amount not in excess of the maximum annual assessment as determined by the provisions of this Article IV. The annual assessment shall be due and payable on January 1 of each year (such date is hereinafter referred to as the “Due Date”) and shall be considered late if received after January 30<sup>th</sup> of each year. The Board shall also establish an annual budget which shall list the estimated operating expenses and shall contain an amount to be set aside each year into a reserve allowance to be used for future repair and replacement of the Common Property; provided, however, in no event shall the Board be required to provide for a reserve sufficient to cover all such future repair and replacement of the Common Property, it being intended that a portion of such costs will be covered by special assessments. The Board may establish reasonable payment procedures to allow or require payment of the annual assessment in installments during the Assessment Year. The Board shall also establish payment procedures for payment of any special assessments for capital improvements that may be levied in accordance with the provisions of this Article IV.
- (b) All Members of the Association shall be given written notice by the Board not less than *fifteen (15)* nor more than sixty (60) days in advance of any meeting of the Members of the Association at which the Board shall propose taking action pursuant to Section 4.05 of this Article IV. Such written notice shall specify under which Section or Sections the Board will propose action. At such meeting, the presence of Members or of proxies entitled to cast thirty (30%) percent of the total votes outstanding shall constitute a quorum. If the required quorum is not present at such meeting, a second meeting may be called by the Board subject to the same notice requirements, and the required quorum at such second meeting shall be twenty (20) percent of the total votes outstanding. No such second meeting shall be held more that thirty (30) days following the first meeting. If the required quorum is not present at the second meeting, the Board may take such action without approval of the Members.

4.07 Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate for all Lots.

4.08 Contribution by Declarant: It is anticipated that the Lots owned by the Declarant will not be furnished all the services available to Lots that have been acquired by other Owners. Unoccupied Lots owned by the Declarant shall, at the option of Declarant, be exempt from the payment of assessments. If the Declarant shall exercise its option to be so exempt, Declarant agrees to pay the Association at the end of its annual accounting period, a sum of money equal to the operation deficit experienced by the Association during each year, including however, no amount for reserves for the replacement of improvements. The existence of an amount of any such deficit shall be determined by subtracting the cash expenses of operation

from the total amount received by the Association; the Declarant, if obligated to pay such deficit, expressly contingent upon its notice of the amount thereof, shall do so not more than sixty (60) days after the end of such accounting. A Lot shall be deemed “unoccupied” within the meaning of this Section when no person has begun to use such Lot as a permanent or temporary place of residence. When an unoccupied Lot becomes occupied or when ownership thereof is transferred from the Declarant to any other person or entity, whichever occurs first, the said Lot shall become subject to payment of the full annual assessment, beginning with the month immediately following the day such Lot becomes occupied or is transferred, whichever occurs earlier, for the remaining portion of the year and thereafter.

- 4.09 Effect of Non-Payment of Assessments: Any Assessment which is not paid on or within fifteen (15) days after the Due Date shall bear interest after the Due Date at the lower of the highest legal rate of interest which can be charged or the rate of eighteen (18%) percent per annum or at such rate as the Board may from time to time establish; provided, however, that in no event shall the Board have the power to establish a rate of interest in violation of the laws of the state of South Carolina. In the event of default in the payment of any one or more installments of an assessment, the Board may declare any remaining balance of the assessment at once due and payable. In the event that an Owner shall fail to pay fully any portion of any assessment prior to the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with interest and costs of collection including reasonable attorney’s fees, shall be a binding personal obligation of such Owner as well as a lien on such Owner’s Lot enforceable in accordance with the provisions of this Declaration.
- 4.10 Certificate of Payment: Upon written demand by an Owner, the Association shall within a reasonable period of time issue and furnish to such Owner a written certificate stating that all assessments (including penalties, interest and costs, if any) have been paid with respect to any Lot owned by said Owner as of the date of such certificate, or that all assessments, interest and costs have not been paid, netting forth the amount then due and payable. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser of, or lender on, the Lot in question.
- 4.11 Approval by Declarant: Notwithstanding anything to the contrary contained herein, no special assessment shall be made without the Approval of Declarant for so long as Declarant has the right to appoint Officers and Directors of the Association.
- 4.12 Specific Assessments: The Board shall have the power to specifically assess pursuant to this section as, in its discretion, it shall deem appropriate. Failure of

the Board to exercise its authority under this section shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including any expenses for which the Board has not previously exercised its authority under this Section. The Board may specifically assess owners for the following expenses, except expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association as provided herein:

- (a) Expenses of the Association which benefit less than all of the Lots, which may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received;
- (b) Expenses incurred by the Association pursuant to Section 6.13 hereof; and
- (c) Reasonable fines as may be imposed in accordance with the terms of the Declaration and By-Laws.

## ARTICLE V ARCHITECTURAL CONTROL

### 5.01 Architectural Control Committee-Creation and Composition:

- (a) An Architectural Control Committee (the "ACC") shall be established consisting of not less than three (3) or more than five (5) individuals; provided, however, that the ACC shall always have an uneven number of members. Notwithstanding anything to the contrary contained herein, Declarant shall have the right, but not the obligation, to appoint all members of the ACC until the plans for all the Residences for all of the Lots in the Development have been approved by the ACC. Thereafter, the Board shall appoint the members of the ACC. All costs of operating the ACC may, at the discretion of Declarant, be borne by the Association.
- (b) Each initial member of the ACC shall be appointed for a term expiring on December 31, 2007. Thereafter each member of the ACC shall be appointed for a calendar-year term. If any vacancy shall occur in the membership of the ACC by reason of death, incapacity, resignation, removal or otherwise, the remaining members of the ACC shall continue to act and such vacancy shall, subject to the provisions of section 5.01 (a), be filled by the Declarant (or Board if at the time the Board has the right to appoint members of the ACC) at the earliest possible time. Any ACC member may resign at any time by given written notice of such resignation to the chairman of the ACC and such resignation shall take effect on receipt thereof by the chairman of the ACC. Any member of the ACC may be removed at any time with or without cause



by the Declarant (or Board if at the time the Board has the right to appoint members of the ACC).

- 5.02 Purpose, Powers and Duties of the ACC: The purpose of the ACC is to assure that any installation, construction or alteration of any structure on any Lot shall be submitted to the ACC for approval (i) as to whether the proposed installation, construction or alteration is in conformity and harmony of external design and general quality with the existing standards of the neighborhood of external design and general Development, and (ii) as to the location of structures with respect to topography, finished ground elevation and surrounding structures. To the extent necessary to carry out such purpose, the ACC shall have all the powers and duties to do each and every thing necessary, suitable, convenient or proper for or in connection with, or incidental to, the accomplishment or such purpose, including, without being limited to, the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any structure of any Lot.
- 5.03 Officers, Subcommittees and Compensation: The members of the ACC shall appoint a Chairman from among their number and may appoint from among their number such officers and subcommittees of members of the ACC as they shall from time to time determine necessary. The members of the ACC shall be reimbursed by the Association for traveling expenses and the other reasonable out-of-pocket costs incurred in the performance of their duties as members of the ACC.
- 5.04 Operation of the ACC:

(a) Meetings

The ACC shall hold regular meetings as needed or as may be established by the ACC. Special meetings may be called by the Chairman at any time and shall be called by the Chairman upon the written request of a majority of the members of the ACC in the office. Regular and special meetings of the members of the ACC shall be held at such time and place as the ACC shall specify. Notice of each regular or special meeting of the ACC shall be mailed to each member thereof at this residence or at his usual place of business at least three days before the day of the meeting is to be held. Notice of regular and special meetings need not specify the purpose or purposes for which the meeting is called. Notice of a meeting need not be given to any member of the ACC who signs a waiver of notice either before or after the meeting. Attendance of a member the ACC at a meeting shall constitute a waiver of notice of such meeting and shall constitute a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a member states, at the beginning of the meeting, any such objection or objections to the transactions of business. At each meeting of the ACC, the presence of a majority of the members then in office shall constitute a quorum for the transaction of business.

Except if otherwise provided herein, the act of a majority of the members of the ACC present at any regular or special meeting thereof at which a quorum is present shall constitute the act of the ACC. In the absence of a quorum, any member of the ACC present at the time and place of the meeting may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. The ACC shall maintain records of business transacted at each of its meetings; however, letters approving any submissions by Owners shall be considered the official record for this business. The ACC shall make such records available at reasonable places and times for inspection by members of the Association and by the Secretary. Any action required to be taken at a meeting of the ACC, or any action which may be taken at a meeting of the ACC, may be taken without a meeting if written consent setting forth the action so taken, shall be signed by all members of the ACC and be filed with the records of the proceedings of the ACC. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document filed by the ACC.

(b) Activities:

- (i) The ACC shall adopt and promulgate the Design standards described in Section 5.05 hereof and shall, as required, make findings, determinations, rulings, and orders with respect to the conformity with said Design Standards of plans and specifications to be submitted for approval to the ACC pursuant to the provisions of this Declaration. The ACC shall, as required, issue permits, authorizations or approvals, which may include specified requirements or conditions, pursuant to the provisions of this Declaration.
- (ii) Any two (2) or more members of the ACC may be authorized by the ACC to exercise the full authority of the ACC with respect to all matters over which the ACC has authority as may be specified by resolution of the ACC, except with respect to the adoption of promulgation of the Design Standards. The unanimous action of the two (2) or more members with respect to the matters specified shall be final and binding upon the ACC and upon any applicant for an approval, permit or authorization, subject, however, to review and modification by the ACC on its own motion or appeal by the applicant to the ACC as provided in this paragraph (ii). Written notice of the decision of such two (2) or more members shall, within five (5) working days thereof, be given to any applicant for an approval, permit or authorization. The applicant may, within ten (10) days after receipt of notice of any decision that he deems to be unsatisfactory, file a written request to have the matter in question reviewed by the ACC. Upon the filing of any such request, the matter with respect to which such request was filed shall be submitted to, and reviewed

promptly by, the ACC, but in no event later than thirty (30) days after the filing of such request. The decision of a majority of the members of the ACC with respect to such matter shall be final and binding.

5.05 Design Standards:

- (a) The ACC shall from time to time adopt, promulgate, amend, revoke and enforce guidelines (the “Design Standards”) for the purposes of:
  - (i) Governing the form and content of plans and specifications to be submitted to the ACC for approval pursuant to the provisions of the Declaration;
  - (ii) Governing the procedures for such submissions of plans and specifications.
  - (iii) Establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details of construction, location and size of structures and all other matters that require approval by the ACC pursuant to this Declaration; and
  - (iv) Assuring the conformity and harmony of external design and general quality of the Development.
- (b) The ACC shall make a published copy of its current Design standards readily available to Members and prospective Members of the Association and to all applicants seeking the ACC’s approval.

5.06 Submission of Plans and Specifications: No structure of any type shall be commenced, erected, placed, moved onto, or permitted to remain on any Lot nor shall any existing structure upon any Lot be altered in any way which materially changes the exterior appearance of the structure or Lot, unless plans and specifications therefore shall have been submitted to and approved in writing by the ACC. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the ACC in the Design Standards, including, without being limited to:

- (a) A site plan showing the location of all proposed and existing structures on the Lot including building setbacks, open space, driveways and off-street parking;
- (b) A foundation plan;
- (c) Exterior elevations of all proposed structures and alterations to existing structures; and

- (d) Specifications of materials, color scheme, and other details affecting the exterior appearance of all proposed structures and alterations to existing structures, and
- (e) A Landscaping Plan or Planting Plan.

5.07 Approval of Plans and Specifications: Upon approval by the ACC of any plans and specifications submitted pursuant to this Declaration, one (1) copy of such plans and specifications, as approved, shall be deposited for permanent record with the ACC and a copy of such plans and specifications bearing such approval in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Lot or structure of any plans and specifications shall not be deemed a waiver of the ACC's right, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Lot or structure. Approval of any such plans and specifications relating to any Lot or structure, however, shall be final as to that Lot or structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to and compliance with such plans and specifications, as approved, and any conditions attached to any such approval.

5.08 Disapproval of Plans and Specifications: The ACC shall have the right to disapprove any plans and specifications submitted pursuant to this Declaration because of any of the following:

- (a) The failure to include information in such plans and specifications as may have been reasonably requested;
- (b) The Failure of such plans or specifications to comply with this Declaration or the Design Standards; or
- (c) Any other matter which, in the judgment of the ACC, would be likely to cause the proposed installation, construction or alteration of a structure (i) to fail to be in conformity and harmony of external design and general quality with the standards for the Development as set forth in the Design standards or the Development-Wide Standard, or (ii) as to location to be incompatible with topography, finished ground elevation, or surrounding structures. In any case in which the ACC shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the ACC shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal may be prepared and submitted for approval.

- 5.09 Obligation to Act: The ACC shall take action on any plans and specifications submitted as herein provided within fifteen (15) days after receipt thereof. Approval by the ACC, if granted, together with any conditions imposed by the ACC, shall be placed in writing on the plans and specifications and shall be returned to the applicant. (Failure by ACC to take action within fifteen (15) days of receipt of plans and specifications submitted for approval shall be deemed approval of such plans and specifications).
- 5.10 Inspection of Rights: Any employee or agent of the Association or the ACC may, after reasonable notice, at any reasonable time or times enter upon any Lot and structure thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any structure or the use of any Lot or structure is in compliance with the provisions of this Declaration; and neither the Association, not the ACC, nor any such agent shall be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection, provided such inspection is carried out in accordance with the terms of this section.
- 5.11 Violations: If any structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with the plans and specifications approved by the ACC pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If, in the opinion of the ACC such violation shall have occurred, the ACC shall notify the Association and the Board shall take appropriate measures to correct the violation; the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within thirty (30) days after the mailing of the aforesaid notice of violation, then the Association shall have the right of Abatement as provided in Section 8.02 hereof.
- 5.12 Certificate of Compliance:
- (a) Upon Completion of the installation, construction or alteration of any structure in accordance with plans and specifications approved by the ACC, the ACC shall, upon written request of the Owner thereof or upon the ACC's own initiative, issue a Certificate of Compliance, identifying the structure and the Lot upon which such structure is placed, and stating that the plans and specifications have been approved and that such structure complies with such plans and specifications. A copy of said Certificate shall be filed for permanent record with the plans and specifications on file with the ACC.
  - (b) Any Certificate of Compliance issued in accordance with the provisions of this section shall be prima facie evidence of the facts therein stated; and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer,

such Certificate shall be conclusive evidence that all structures on the Lot comply with all the requirements of this Article; provided, however, that the Certificate shall in no way be construed to certify the acceptability, sufficiency or approval by the ACC of the actual construction of structures or the workmanship, or to represent or warrant to anyone the quality, function or operation of the structures or of any construction, workmanship, engineering, materials or equipment.

The issuance of the Certificate shall in no way be construed to certify to any party that the structures have been built in accordance with every detail on the approved plans and specifications.

- 5.13 Fees: The ACC may impose and collect a reasonable and appropriate fee to cover the cost of review of plans and specifications and of inspections performed pursuant to Section 5.10. The fee shall be established from time to time by the ACC and published in the Design Standards.
- 5.14 Non-Discrimination by ACC: The ACC shall not discriminate against any applicant requesting its approval of plans and specifications because of such applicant's race, color, sex, religion, age or national origin. Further, the ACC, in the exercise of its powers granted pursuant to this Declaration shall not take any action, intent or effect of which is to discriminate against persons of a particular race, color, sex, religion, age or notional origin.
- 5.15 Disclaimer as to ACC Approval: Plans and specifications are not reviewed for engineering or structural design or quality of materials, and by approving such plans and specifications, neither the ACC, the members thereof, nor the Association assumes liability or responsibility therefore or for any defect in any structure constructed from such plans and specifications. Neither Declarant, the Association, the ACC, the Board, nor the Officers, Directors, Members, employees, and agents of any of them for approval, or to any owner of property affected by these Restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans and specifications and every Owner agrees that he will not bring any action or suit against Declarant, the Association, the ACC, the Board, nor the Officers, Directors, members, employees, and agents or any of them to recover any such damages and hereby releases, remise, quitclaims, and covenants not to use for all claims, demands, and causes of action arising out of or in connection with any judgment, negligence, or non-feasance and hereby waive the provisions of any law which provides that a general release does not extend to claims, demands, and claims of action not known at the time the release is given.

ARTICLE VI  
GENERAL COVENANTS AND RESTRICTIONS

- 6.01 Application: The Covenants and Restrictions contained in this Article VI shall pertain and apply to all Lots and to all structures erected or placed thereon.
- 6.02 Restriction of Use: Lots may be used for single-family residences only and for no other purpose provided that Declarant or any builder acquiring any Lots from Declarant may operate a Sales Office and/or Model Home on a Lot or Lots designated and approved by Declarant.
- 6.03 Resubdivision of Property: No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise, without the prior written approval of the ACC of plans and specifications for such split, division or subdivision. Notwithstanding the forgoing, nothing herein shall prevent Declarant or the Owners of any Lots from combining two or more Lots into one lot for construction of a single Residence thereon; provided, however, that such combined Lot may not be subdivided thereafter; and, provided, further, that the Owner of the Residence on such Lot shall be responsible for annual and special assessment based upon the number of Lots combined into one Lot. Notwithstanding anything contained herein to the contrary, the Declarant reserves the right to replat any Lot still owned by the Declarant and shown upon recorded plats of the Community in order to modify the boundary lines and to take such other steps reasonably necessary or desirable to make such re-platted Lot suitable and fit as a building site to include, but not be limited to, the relocation of easements, right-of-ways, roads, recreational facilities, and other amenities to conform to the new boundaries of such replatted Lots; provided, however, that no Lot originally shown on a final recorded plat of the Property shall be reduced to a size more than ten percent (10%) smaller than the smallest Lot shown on such plat.
- 6.04 Erosion Control: No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the ACC of plans and specifications for the prevention and control of such erosion or siltation. The ACC may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include (by way of example and not of limitations) physical devices for controlling the run-off or drainage of water, special precautions in grading and otherwise changing the natural landscape and required landscaping as provided for in Section 6.05. Guidelines for the prevention and control of erosion and siltation may be included in the Design Standards of the ACC.
- 6.05 Landscaping: No construction or alteration of any structure shall take place without the prior written approval by the ACC of plans and specifications for the landscaping to accompany such construction or alteration. Guidelines for the

landscaping to accompany the construction or alteration of any structure shall be included in the Development Guidelines of the ACC.

6.06 Temporary Buildings: No temporary building trailer, garage, or building under construction on any Lot shall be used, temporarily or permanently, as a residence except as temporary sleeping or living quarters required desirable for security purposes in accordance with plans and specifications therefore approved by the ACC.

6.07 Signs:

- (a) No signs whatsoever (including, but not limited, to commercial and similar signs) shall, without the ACC's prior written approval of plans and specifications therefore, be installed, altered or maintained on any Lot, or on any portion of a structure visible from the exterior thereof, except:
  - (i) Such signs as may be required by legal proceedings and for display of all building permits;
  - (ii) The Declarant may place sales related signage on homes and homesites owned by the Declarant along with directional signs to the sales office for so long as Declarant has the authority to appoint and remove Directors and Officers of the Association.
  - (iii) Not more than one Lot identification sign in accordance with plans and specifications approved by the ACC.
  - (iv) Directional signs for vehicular or pedestrian safety in accordance with plans and specifications approved by the ACC.
- (b) In no event during approved construction of any structure shall more than one job identification sign be approved by the ACC

6.08 Setbacks: In approving plans and specifications for any proposed structure, the ACC may establish setback requirements for the location of such structure. Guidelines for setbacks may be included in the Design Standards of the ACC. No structure shall be erected or placed on any Lot unless its location is consistent with such setbacks. The ACC shall not unduly limit the ability of any Lot Owner to fully utilize his property for the intent for which it was purchased.

6.09 Fences: No fence or wall of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the ACC or plans and specifications for such fences and walls. Guidelines relating to the Design, location and use of fences and walls may be included in the Design Standards of the ACC.



*(a) No fence, wall, garage, storage building, or structure of any kind shall be erected more than 30 feet behind the rear building wall line of all lake front Residences. Fences constructed in the rear yards of lake front residences shall be no higher than 4 feet, and shall be chain link, or some other approved translucent construction, as may be approved by the ACC.*

- 6.10 Roads and Driveways: No road or driveway or other pavement shall be constructed or altered on any Lot without the prior written approval of the ACC of plans and specifications for such roads and driveways. Guidelines relating to the design and location of roads and driveways may be included in the Design Standards of the ACC.
- 6.11 Clotheslines, Antennae, Etc: No clotheslines or exterior television or radio antenna or satellite dish or receiver or solar panel or other equipment of any sort shall be placed, allowed or maintained upon any portion of a structure or Lot without prior written approval by the ACC. No antennae shall be installed or used for the purpose of transmitting of electronic signals. Notwithstanding, the Declarant reserves the right, and the Association shall have the right, to modify this limitation, or to establish a new standard, upon notice and action at any special or annual meeting.
- 6.12 Garbage Cans, Woodpiles and Stored Materials: All garbage cans and woodpiles shall be kept screened by adequate planting or fencing so as to conceal them from view by neighboring Residences and from the street. Lot Owners shall not store any other materials or equipment in yards, open to view from adjacent lots or the street, which will present an unkempt or noxious appearance to adjacent residents.
- 6.13 Maintenance: Each owner shall keep and maintain each Lot and structure owned by him, as well as all landscaping located thereon, in good condition and repair, including, but not limited to (i) the repairing and painting (or other appropriate external care) of all structures, (ii) the seeding, watering and mowing of all lawns, and (iii) the pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of a view by motorists or pedestrians of street traffic. All unimproved Lots shall be kept in a reasonably neat and clean condition. Notwithstanding the forgoing, the maintenance required hereunder shall also extend from the boundary of a Lot to the curbing of the right-of-way bordering said Lot. If, in the opinion of the ACC, a Lot or Structure located thereon is not in compliance with this section, the ACC shall notify the Association. If the Board shall agree with the determination of the ACC with respect to the failure of said Owner to perform the duties imposed by this Section, then the Board shall give written notice to the Owner to remedy the condition or conditions in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the Owner fails to take reasonable steps to remedy the condition within thirty (30) days after the mailing of said written notice by certified mail, then the Association shall have the Right of Abatement as provided in Section 8.02 hereof. Guidelines relating to the

maintenance of Lots, structures and landscaping may be included in the Design Standards of the ACC. Each Owner shall be responsible for maintaining the grading and drainage for which the drainage way was designed. Additionally, where a Lot is adjoining a lake or body of water, the owner is responsible for maintenance down to the edge of the water line of the adjoining body of water. Each Owner is also responsible for the installation of grass on any lake banks and drainage ways adjoining their property. Where a Lot adjoins a landscaped berm that is primarily on Common Property, the Lot owner shall be responsible for maintenance to the toe of the berm on the backside of the berm, adjacent to his Lot. The Association shall be responsible for maintenance of the top and front and rear sides of these berms.

- 6.14 Commercial and Recreational Vehicles and Trailers: No commercial vehicle (other than passenger vehicles having a capacity of less than nine (9) passengers), house trailer or mobile home shall be permitted on any Lot. Motor homes, recreational vehicles, campers, boats, boat trailers or like equipment shall be permitted on any Lot in the Development on a permanent basis, provided that these are maintained on a paved concrete pad, in side or rear yards only. The pads proposed for such use shall be approved by the ACC prior to construction. Temporary storage of such vehicles and equipment shall be allowed on a temporary basis not to exceed forty-eight (48) consecutive hours. Notwithstanding the forgoing, any such vehicles or equipment may be stored on a Lot, provided such vehicle or equipment is kept in an enclosed space and is concealed from view of neighboring Residences and streets.
- 6.15 Recreational Equipment: Recreational and playground equipment shall be placed or installed only upon the rear of a Lot if approved by the ACC. No above ground pools shall be allowed. No motorized, gas or diesel-powered boats shall be allowed in the lakes at any time. No boats shall be permanently moored or maintained within the lake for more than a 12-hour period, unless approved by the Association.
- 6.16 Docks on Lake Front lots: Lake front lots shall be permitted to construct, with approval by the ACC, a lake front dock or deck, which shall be no wider than 24', nor which shall extend into the lake more than 16'. Such structures may either be placed on foundations, or on floats. Lake front docks or decks shall be no higher than 24" above the normal water surface. No other water front structures, no roof or canopy over a lake front structure, or other fixed improvement greater in height than 24" above the water surface, shall be permitted, with the exception of handrails around the dock or deck. Temporary umbrellas may be erected during periods when the lake front dock or deck is occupied, or as approved by the Association.
- 6.17 Animals: No agricultural animals may be kept on any Lot and no animals, including birds, insects, and reptiles, may be kept on any Lot unless kept thereon solely as household pets and not for commercial purposes. No animals shall be

allowed to become a nuisance. No structure for the care, housing or confinement or any animal shall be constructed, placed or altered on any Lot unless plans and specifications for said structure have been approved by the ACC. Dogs weighing more than 25 lbs, and which may be considered as aggressive breeds, including but not limited to Pit Bulls, German Shepherds, Chows, and other similar breeds, shall not be kept on Lots except in approved fences or shelters.

6.18 Solid Waste:

- (a) No person shall dump rubbish, garbage, or any other form of solid waste on any Lot or on Common Property or within the right-of-way of any street in the Development. *The Owner of each residence shall not permit the accumulation of trash or garbage upon his Lot. The Association shall have the authority to seek a trash removal contract with a Contractor engaged in this business, and to require all Lot Owners to participate in solid waste collection.*
- (b) Except for building materials employed during the course of construction of any structure approved by the ACC, no lumber, metals, bulk materials or solid waste of any kind shall be kept, stored, or allowed to accumulate on any Lot unless screened or otherwise handled in a manner set forth in the Design Standards.
- (c) If rubbish, garbage, or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open on any day that a pick-up is to be made, in order to provide access to persons making such pick-up. At all other times such containers shall be screened or enclosed in a manner set forth in the Design Standards. Guidelines relating to the type of containers permitted, the manner of storage and the place of pick-up may also be included in the Design Standards.

6.19 Nuisances: No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereof which may become an annoyance or nuisance to the community.

ARTICLE VII  
EASEMENTS, ZONING AND OTHER RESTRICTIONS

7.01 Easements:

- (a) Declarant hereby expressly reserves to the Declarant, its successors and assigns forever, the right to create perpetual easements in, on, over and under any part of the Property for any purpose which Declarant deems necessary, including, by way of example, and not limitation, the following;

- (v) The installation, construction and maintenance of wires, lines and conduits in connection with the transmission of electricity, telephone, cable television cables and other utilities and similar facilities;
  - (vi) The installation, construction and maintenance of storm-water drains, land drains, public and private sewers, irrigation systems, pipelines for supplying gas and water, and for any other public or quasi-public facility, service or function.
  - (vii) Slope control purposes, including the right to grade and plant slopes and prevent the doing of any activity which might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow; and
  - (viii) The planting or replanting of hedges, shrubbery, bushes, trees, flowers and plants of any nature.
- (b) No Owner shall have any right to use any easement created by the Declarant in, on or over any portion of the Property with the exception of landscaping and/or any other use or uses approved by the ACC unless such easement has been assigned by the Declarant to the Association.

7.02 Easement Area: The words “Easement Area” as used herein shall mean those areas on any Lot or any other portion of the Property with respect to which easements are shown on a recorded deed, easement agreement or on any filed or recorded map or plat relating thereto.

7.03 Entry: The Declarant and its employees, agents, successors and assigns, shall have the right at all reasonable times to enter upon all parts of each Easement Area for any of the purposes for which such Easement Area is reserved, without being deemed to have committed to trespass or wrongful act solely by reason of such entry and the carrying out of such purposes, provided the same are done in accordance with the provisions of this Section. The Declarant and its employees, agents, successors and assigns shall be responsible for leaving each Lot in good condition and repair following any work or activity undertaken in an Easement Area.

7.04 Easement for Encroachment and Overhang: There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots due to the unintentional placement or setting or shift in of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Property or between adjacent Lots, as the case may be, along a line

perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant, or the Association.

- 7.05 Lake Easement: The Declarant hereby reserves for itself and the Association an easement of ingress and egress over and upon all Lots adjacent to lakes or waterways, if any, for the purpose of providing necessary or desirable maintenance to such lake or waterways or to the land between the low water line and the property line of such Lot. This easement shall extend into each Lot for a uniform distance of twelve (12) feet from the then existing high water line and may be further shown upon final recorded plats. The easement and right herein reserved shall include the right to cut, remove and plant trees, bushes or shrubbery and other vegetation and the right to grade the land covered by the easement.
- 7.06 Zoning and Private Restrictions: None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, or by the laws, rules or regulations of any governmental body. In the event of any conflict between such laws, rules or regulations and the covenants, restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern and control.

## ARTICLE VIII ENFORCEMENT

- 8.01 Right of Enforcement: This Declaration and the restrictions contained herein shall inure to the benefit of and shall be enforceable by (i) the Declarant so long as it is an Owner, (ii) the Association, and (iii) each Owner, his heirs, devisees, legal representatives, successors and assigns.
- 8.02 Right of Abatement:
- (a) Except where different notice provisions are provided, in the event of a violation or breach of any Restriction contained in this Declaration the Association shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violations or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of said written notice, then the Association shall have the Right of Abatement.
  - (b) The Right of Abatement, as used in this section and other sections thereof, means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Lot or structure as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair

such violation, breach or other condition which may exist thereon contrary to the provisions thereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this Section, and with the costs thereof including the costs of collection including reasonable attorney's fees, together with interest thereon at the lower of the highest rate permitted by law of eighteen (18%) percent to be a binding personal obligation of such Owner enforceable in law, as well a lien on such Owner's Lot enforceable pursuant to the provisions of section 8.04 hereof. Such lien shall be superior to any and all charges, liens or encumbrances which may in any manner arise or be imposed upon the Lot after such entry whether arising from or imposed by judgment or decree or any agreement, contract, mortgage, or other instrument, excepting only (i) such liens for taxes or other public charges as are applicable by law made superior, (ii) the liens created by Section 4.01 hereof, and (iii) all mortgages given to secure a loan the proceeds of which are used (1) to purchase a Lot or Lots together with any and all structures which may from time to time be placed or located thereon or (2) to finance the construction, repair, or alteration of any or all structures which may from time to time be placed or located thereon.

8.03 Specific Performance: Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the Association or any Owner to enforce the restrictions by appropriate judicial proceedings or to recover damages. However, it is hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferee, successors or assigns, by reason of a violation of, or failure to perform, any of the obligations provided by this Declaration and therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

8.04 Collection of Assessments and Enforcement of Lien:

- (a) If any assessment, interest, cost or other charge is not paid as required by this Declaration, the Association may bring either an action at law against the Owner personally obligated to pay the same, or an action to foreclose any lien created by this Declaration against the Lot or Lots subject to the lien, or both, for the purpose of collecting such assessment, cost or charge, plus any interest thereon and costs of collection, including reasonable attorney's fees.
- (b) No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot. No diminution or abatement of assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or

improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive or any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

- 8.05 No Waiver: The failure of the Declarant, the Association, the ACC or the Owner of any Lot, his or its respective heirs, legal representatives, devisees, successors and assigns, to enforce any Restrictions herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

#### ARTICLE IX DURATION AND AMENDMENT

- 9.01 Duration: This Declaration and the Restrictions contained herein shall run with and bind the Property for a period of twenty (20) years from and after the date when this Declaration is filed for record with the Clerk of Court for Horry County, South Carolina, after which time this Declaration and the Restrictions shall be automatically renewed for successive periods of ten (10) years; provided, however, that after the end of the said twenty (20) year period and during any ten (10) year renewal period (but only during such renewal period), this Declaration and Restrictions contained herein may be terminated by an instrument executed by the proper Association Officers and recorded in the Office of the Clerk of Court of Horry County, South Carolina, or in such other place of recording as may be appropriate at the time of the execution of such instrument, pursuant to a resolution approving such termination which is approved by a two-thirds (2/3) vote of those Class A Members of the Association who are present in person or by proxy, and voting at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association.
- 9.02 Amendments by Declarant: During any period in which Declarant retains the right to appoint and remove any Directors and Officers of the Association, Declarant may amend this Declaration by any instrument in writing, filed and recorded in the Deed Book of the Clerk of Court's Office for Horry County, South Carolina, without the approval of any Member or mortgagee, provided, however, that (i) in the event that such amendments materially alters or changes any Owner's right to use an enjoyment of such Owner's Lot or of the Common Property as set forth in this Declaration or if such amendment adversely affects the title to any Lot, such amendment shall be valid only upon the written consent thereto by a majority in a number of the then existing Members affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security title and interest of any mortgagee, such amendment shall be valid only upon the written consent thereto of all such mortgagees so affected. Any amendment made pursuant to this Section 9.02 shall be certified by Declarant as having been duly approved by Declarant, and such Members and mortgagees, if

required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance of a Lot, agrees to be bound by such amendments as are permitted by this Section 9.02 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instrument relating to this Development (i) if such amendment is necessary to bring any provision hereof of thereof into compliance with the provisions of any applicable governmental stature, rule or regulation or any judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration, (iii) if such amendment is required by an institutional or governmental lender, purchaser or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make (iv) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration, or (v) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration.

9.03 Amendment by Association: Amendments to this Declaration, other than those authorized by Section 9.02 hereof, shall be proposed and adopted in the following manner:

- (a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each Member of the Association.
- (b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board or by Members of the Association. Such amendment must be approved by Members holding at least two-thirds (2/3) of the total votes in the Association; provided, however, (i) that nay amendment which materially and adversely affects the security title and interest of nay mortgagee must be approved by such mortgagee, and (ii) during any period in which Declarant has the right to appoint and remove Officers and Directors of the Association, such amendment must be approved by Declarant.
- (c) The agreement of the required percentage of the Owners and, where required, the Declarant and any mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, and provided that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice President or the Secretary of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such



amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

ARTICLE X  
ANNEXATION AND CONSTRUCTION AND SALE PERIOD

10.01 Annexation: For so long as Declarant has authority to appoint and remove Directors and Officers of the Association, additional real property may be annexed to the Property by the Declarant without the consent of the Class A Members. Such annexation shall be accomplished by filing in the Office of the Clerk of Court of Horry County an approved subdivision plat describing the real property to be annexed to the Property and by including on such subdivision plat a statement that expressly sets forth the Declarant's intention to make such annexed real property subject to the provisions of the Declaration; or by filing an amendment to the Declaration which has been consented to by the owners of the real property to be annexed if any portion of such real property is owned by someone other than Declarant. At the expiration of Declarant's right to appoint and remove Directors and Officers of the Association, no real property may be annexed to the property unless such annexation is approved by a two-thirds (2/3) vote of the Members of the Association who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association.

10.02 Construction and Sale Period: Notwithstanding any provisions contained in the Declaration, the By-Laws, Articles of Incorporation, use restrictions, rules and regulation, design guidelines, and any amendments thereto, until Declarant's right unilaterally to subject property to this Declaration as provided and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the Development as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction, and sales activities related to property subject to this Declaration, including, but without limitation; the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Development; the right to tie into any portion of the Development with driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Development; the right to carry on sales and promotional activities in the development; and the right to construct and operate business offices, signs, construction trailers, material storage areas, model residences, off-street parking areas, and sales offices. Declarant and any such builder or developer may use residences or offices owned or leased by Declarant or such builder or developer as model residences and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the person causing any damage at its sole expense.

ARTICLE XI  
MISCELLANEOUS

11.01 No Reverter: No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

11.02 Severability: A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

11.03 Headings: The headings of the Articles and Sections hereof are for convenience only and shall not affect the meaning or interpretation of the Contents of this Declaration.

11.04 Gender: Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

11.05 Notices: All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures or contents of any kind made pursuant to this Declaration, whether made by the Declarant, the Association, the ACC, the Owner, or any other person, shall be in writing. All such writings shall have sufficient postage, and sent to the following addresses:

Declarant:	Pineland Lakes, LLC 209 Highway 544 Conway, SC 29526
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Owners:	Each Owner's address as Registered with the Association In accordance with the By-Laws
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The Declarant reserves the right to change its address from time to time by filing an amendment to this Declaration specifying its new address in the Deed Records of Horry County, South Carolina.

Any written communication transmitted in accordance with this Section 11.05 shall be deemed received on the third (3<sup>rd</sup>) day following the day such written notice is deposited in the United States Mail.

11.06 No Liability: Declarant has, using best efforts and all due diligence, prepared and recorded this Declaration so that each and every Owner shall have the right and the power to enforce the terms and provisions of this Declaration against every other Owner. However, in the event that this Declaration or any provision herein is, for any reason whatsoever, unenforceable by an Owner (or any other person) in a court of law or otherwise, Declarant shall have no liability of any kind as a result of such unenforceability, and each and every Owner, by acceptance of a deed conveying a Lot,

acknowledges that Declarant shall have no such liability. In addition, neither the Declarant nor the Association shall have any liability of any kind as a result of the failure to enforce any provision contained in this Declaration.

11.07 Insurance:

- (a) At all times during the terms of this Declaration, the Association, its successors and assigns, shall be required to keep any and all recreational facilities and any other improvements located on the Common Property fully insured by a reputable insurance company authorized to transact business in the State of South Carolina with (i) fire, vandalism, malicious mischief and extended coverage insurance in an amount adequate to cover the cost or replacement of such improvements in the event of loss of any and/or all of such improvements, fixtures and contents thereof, and (ii) public liability insurance in such amounts as shall be determined by the Board of Directors as appropriate for the type of recreational activities which shall be allowed on the Common Property. Any such policies of insurance shall require that the certificate holders and insured be given thirty (30) days prior written notice of any cancellation of such policies.
- (b) Immediately after the damage or destruction by fire or other casualty to all or any improvement covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty.

Any damage or destruction shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five percent (75%) of the total Association vote entitled to vote thereon, and, so long as the Declarant has the right to appoint and remove Directors, the Declarant, otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such e exceed one hundred and twenty (120) days. No mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board shall without the necessity of a vote of the Association's Members, levy a special assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction or if the improvements

are not repaired or reconstructed, such excess shall be deposited for the benefit of the Association.

In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then in the event the property shall be restored to its natural state and maintained as an undeveloped portion of the community in a neat and attractive condition until the Association establishes another use for said property.

- (c) The deductible for any casualty insurance policy carried by the Association shall, in the event of damage or destruction, be allocated among the persons who are responsible hereunder for maintenance of the damaged or destroyed property.

11.08 Variances: Notwithstanding anything to the contrary contained herein, the Declarant or the Board of Directors of the Association or the designee of either of them shall be authorized to grant individual variances from any of the provisions of this Declaration, the By-Laws and any rule, regulation or use restriction promulgated pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Development.

## ARTICLE XII MORTGAGE PROVISIONS

The following provisions are for the benefit of holders of first mortgages of Residences or Lots in the Development. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

- 12.01 Notices of Action: An institutional holder, insurer, or guarantor of a first mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, guarantor, and the Residence number therefore becoming an eligible holder), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Development or which affects any Residence or Lot of which there is a first mortgage held, insured, or guaranteed by such eligible holder;

- (b) Any delinquency in the payment of assessments or charges owed by an Owner of a Residence or Lot subject to the mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of first mortgage, upon request, is entitled to a written notice from the Association of any default in the performance by an Owner of a Residence or Lot of any obligation or By-Law of the Association which is not cured within sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; and
- (d) Any proposed action that would require the consent of a specified percentage of eligible mortgagees.

12.02 Special FHLMC Provision: So long as required by the Federal Home Loan Mortgage Corporation, the following provision applies in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first mortgagees or at least two-thirds (2/3) of the total Members of the Association entitled to vote thereon consent, the Association shall not:

- (a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Property which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent within the meaning of this subsection);
- (b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Residence or Lot;
- (c) By act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and Residences and of the Common Property (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this subsection);
- (d) Fail to maintain insurance, as required by the Declaration; or
- (e) Use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

First mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

12.03 No Priority: No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first mortgagee of any Residence or Lot in the cases of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the common Property.

12.04 Notice to Association: Upon request, each owner shall be obligated to furnish to the Association the name and address of the holder of any mortgage encumbering such Owner's Residence or Lot.

12.05 Amendment by Board: Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

12.06 Applicability of Article XII: Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or South Carolina law for any of the acts set out in this Article.

12.07 Failure of Mortgagee to Respond: Any mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the mortgagee within thirty (30) days of the date of the Association's request.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed and sealed the day and year first above written.

WITNESSES:

Pineland Lakes, LLC

\_\_\_\_\_

By: \_\_\_\_\_  
Steve S. Powell

\_\_\_\_\_

By: \_\_\_\_\_  
Jimmy B. Calder

STATE OF SOUTH CAROLINA )

)

PROBATE

COUNTY OF HORRY )

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named, Pineland Lakes, LLC, sign, seal and as its act and deed deliver the within written Declaration of Covenants, Restrictions and Easements for Pineland Lakes; and that (s)he with the other witness subscribed above witnessed the execution thereof.

\_\_\_\_\_  
Witness Sign Here

Sworn to before me this  
\_\_\_\_\_ day of March, 2007

\_\_\_\_\_  
Notary Public for South Carolina  
My Commission expires: \_\_\_\_\_

Exhibit A

ALL AND SINGULAR, all that certain pieces, parcels or lots of land, lying and being in Horry County, South Carolina, shown and designated as Lots \_\_\_\_\_ through and including \_\_\_\_\_ as shown on plat prepared by \_\_\_\_\_, dated \_\_\_\_\_, and recorded \_\_\_\_\_ in Plat Book \_\_\_\_\_ at Page \_\_\_\_\_, in the Office of the RMC of Horry County, said plat being incorporated herein by reference as forming a part of this description.



BY-LAWS  
OF  
PINELAND LAKES

EXHIBIT "B"

## BY-LAWS

### ARTICLE I

#### PINELAND LAKES

The name of the association is PINELAND LAKES HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association"). The Principal office of the Association (until otherwise designated by the Board) (as hereinafter defined) shall be located at Pineland Lakes, LLC, 209 Highway 544, Conway, SC 29526, but meetings of Members and Directors may be held at such other places within the State of South Carolina, County of Horry, as may be designated by the Board.

### ARTICLE II

#### MEETINGS

3.1 Annual Meeting of Members: The regular annual meeting of the Members shall be held not later than six (6) months past the end of the fiscal year of the Association, on a date (which is not a legal holiday) and at such place within the State of South Carolina, as shall be designated in the call of meeting pursuant to Article 3.3 below. If no such date is designated, the annual meeting shall be held on the second Monday in April, if not a legal holiday, and if a legal holiday, then on the next business day succeeding. The Members shall at such annual meeting elect a Board of Directors for the ensuing year, in the manner provided in Article 4.1 hereof, and shall have authority to transact any and all business which may be brought before such meeting.

3.2 Special Meeting of Members: Special meetings of Members shall be held at such place within the state of South Carolina as shall be designated in the call of the meeting. Special meetings may be called by the President at any time and must be called by the President when so requested in writing by any two (2) Directors or by twenty-five (25%) percent of the Class A Membership.

3.3 Notice of Meetings: Written notice of the place, date and time of every annual or special meeting of members shall be mailed to each Member, at least fifteen (15) days before such meeting. Each Member shall register his address with the Association, and notices of meetings shall be mailed to him at such address. If for a special meeting, such notice shall state the object or objects of the meeting. It shall not be necessary that notice of an annual meeting specify the business to be transacted at such meeting, but such notice shall specify the number of directors to be elected at such annual meeting.

3.4 Quorum: Unless otherwise provided in the Declaration, a quorum at any meeting of members, whether annual or special, shall consist of the presence at such meeting, in person or by proxy, of Members entitled to cast one-third (1/3) of the votes of

each class of Membership. Unless otherwise provided in the Articles of Incorporation of the Association, or in the Declaration, or in these By-Laws, a majority of the votes entitled to be cast by all Members present at a meeting shall be necessary and sufficient to decide and act upon any question which shall come before the meeting. No business shall be transacted at any meeting unless a quorum is present.

3.5 Voting: Voting rights of Members shall be as set forth in the Declaration. Whereby any Member is a group or entity other than one individual person, the vote on behalf of such Member shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such Member, and delivered to the Secretary of the Association.

## ARTICLE IV

### DIRECTORS

4.1 Number: The affairs of this Association shall be managed by an initial Board of three (3) Directors, who need not be Members of the Association, and who shall be appointed and removed in accordance with Section 3.08 of the Declaration until the date specified in Section 3.08 of the Declaration. The Board shall be increased as provided in Section 4.2, and once the control of the Association passes to the Class A Members, as provided in the Declaration, the affairs of the Association shall be managed by a Board of not less than five (5) nor more than nine (9) Directors.

4.2 Term of Office: At the first annual meeting after control of the Association has passed to the Class A Membership, the Board shall be increased to five (5) Directors in accordance with the following procedure. At that meeting, the Members shall elect three (3) Directors to serve a two (2) year term, and two (2) Directors to serve a one (1) year term. Thereafter, successor Directors shall be elected for two (2) year terms. All Directors shall hold office until their successors have been elected. The number of Directors may be increased by amendment to this provision of the By-Laws.

4.3 Removal: Once the control of the Association passes to the Class A Members as provided in the Declaration, any Director may be removed from the Board with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4 Compensation: No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5 Action Taken Without a Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by

obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

4.6 Nomination: Nomination for elected members to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

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

4.8 Regular Meeting of Directors: Regular meetings of the Board of Directors shall be held from time to time as may be necessary at such place and hour as may be fixed by resolution of the Board.

4.9 Special Meeting of Directors: Special meetings of the Board of Directors shall be held at such place within the state of South Carolina as shall be designated in the call of such meetings. Special meetings of the Board of Directors may be called by the President at any time, in his discretion, and must be called by the President whenever so requested in writing by two (2) member of the Board of Directors.

4.10 Notice of Meetings: Notices of special meetings of the Board of Directors shall be given by the President or the Secretary to each member of the Board, not less than three (3) days before the time at which such meetings are to convene. Said notices may be given by telephone, or by any other form of written or verbal communication. It shall not be necessary for notices of special meetings of the Board of Directors to state the purposes of objects of the meetings. The Directors may waive notice of nay meeting; Action may be taken by the Directors without a meeting if such action is consented to in writing by all of the Directors.

4.11 Quorum: A quorum at any meeting of the Board of Directors shall consist of a majority of the members of the Board. Unless otherwise provided in the Articles of Incorporation of the Association, or in these By-Laws, or in the Declaration, a majority of those present at any meeting at which a quorum is present may decide all questions which may come before the meeting.

4.12 Powers: The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

- (b) Suspend the voting rights and right to use the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations:
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provision of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors, and
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

4.13 Duties: It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all of its acts and corporate affairs;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
  - (i) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - (ii) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;
  - (iii) Foreclose the lien against any property for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay the same:
- (d) Issue, or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (e) Procure and maintain adequate insurance on property owned by the Association, as provided in Article XI of the Declaration;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the Common Property to be maintained; and
- (h) Maintain any and all landscaping treatments previously installed by the Declarant to the extent that such landscaping is not otherwise maintained by the appropriate county and/or municipal entity having jurisdiction over the roads for the Development.

## ARTICLE V

### OFFICERS AND THEIR DUTIES

5.1 Enumeration of Officers: The Officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

5.2 Election of Officers: The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

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

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

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

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

5.7 Multiple offices: The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 5.4 of this Article.

5.8 Duties: The duties of the Officers are as follows:

- (a) President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all promissory notes.
- (b) Vice-President: The Vice-President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform such other duties as required by the Board.
- (d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures, and deliver a copy of each to the Members.

## ARTICLE VI MISCELLANEOUS

6.1 The Declaration: All provisions contained in the Declaration with regard to rights, powers and duties of the Association, the Members thereof (including, without limitation, classes of Members and qualifications and rights of the Members of each class), and the Board of Directors thereof, are hereby incorporated into these By-

Laws by this reference, with the same effect as if such provisions were fully set forth herein.

6.2 Committees: The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

6.3 Books and Records: The books and records of the Association shall at all times, during reasonable business hours, be open for inspection by any Member of the Association.

6.4 Indemnification: The Association shall indemnify any person made a party to any action, suit or proceeding, whether civil or criminal, by reason of the fact that he, his testator, or intestate, is or was a Director, Officer, management agent, or employee of the Association, against the reasonable expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense of the action, suit, or proceeding or in connection with any appeal in it. This right of indemnification shall not apply in relation to matters as to which the Director, Officer, management agent, or employee shall be adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of any duty to the Association. The right to indemnification conferred by this section shall not restrict the power of the Association to make any indemnification permitted by law.

6.5 Fiscal Year: The fiscal year of the Association shall be the calendar year.

6.6 Parliamentary Rules; Robert's Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with South Carolina law, the Articles of Incorporation, the Declaration, these By-Laws, or a ruling made by the person presiding over the proceeding.

6.7 Conflicts: If there are conflicts or inconsistencies between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws, then the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.8 Notices: Unless otherwise specified in the Declaration or By-Laws, all notices, demands, bills, statements, or other communications required or permitted to be sent under the Declaration or these By-Laws shall be in writing and shall be deemed to have been fully given if delivered personally or if sent by first class mail, postage prepaid:

- (a) If to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the last known address of the Member; or



- (b) If to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members.

If there are multiple Owners of a single piece of property, notice to one (1) shall be deemed notice to all.

6.9 Amendment: The provisions of the Declaration applicable to amendment of that instrument shall apply to any amendment to these By-Laws.

6.10 Fining procedure: The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

- (a) Demand: Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:
  - (i) The alleged violation;
  - (ii) The action required to abate the violation; and
  - (iii) A time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a fine, if the violation is not a continuing one. The Board or its designee may demand immediate abatement in such circumstances which, in the Board's determination, proposed danger to safety or property.
  
- (b) Notices: Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand or abatement without penalty, or if the same rule is subsequently violated, the Board may, upon notice, impose a fine. The notice shall state:
  - (j) the nature of the alleged violation;
  - (ii) that the alleged violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine;
  - (iii) that any statement, evidence, and witnesses may be produced by the alleged violator at the hearing; and
  - (iv) that all rights to have the fine reconsidered are waived.

(c) Hearing: If a hearing is requested, it shall be held before the Board in executive session, and the alleged violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hear

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Secretary

APPROVED:

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DIRECTOR

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DIRECTOR

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DIRECTOR