



Jasper County Planning and Building Services

358 Third Avenue - Post Office Box 1659
Ridgeland, South Carolina 29936
Phone (843) 717-3650 Fax (843) 726-7707

Lisa Wagner, CFM
Director of Planning and Building Services
lwagner@jaspercountysc.gov

Jasper County Planning Commission Staff Report

Meeting Date:	March 10, 2026
Project:	Major Subdivision, Final Plat – Bailey Park (Townhouse Subdivision)
Applicant:	K & R Development, LLC
Tax Map Number:	081-00-04-007
Submitted For:	Action

Description: Bailey Park subdivision will consist of 163 townhouses and is located along Old Bailey Road. The Applicant is seeking final plat approval for Phase 1 of Bailey Park subdivision. The preliminary plat was reviewed and approved by the Planning Commission on August 13, 2024, which authorized the applicant to proceed with construction of the site infrastructure. The applicant has completed all of the site work for Phase I and has provided a bond for Phase 2, while the construction of the site work is being completed. The applicant intends to seek final plat approval of Phase 2 in the next few months.

Analysis: The final plat requirements have been reviewed by Thomas & Hutton and have been found to be in compliance with the major subdivision regulations. Additionally, as-builts have been provided for Phase I, along with a road maintenance agreement and a 2 yr. maintenance guaranty for the storm drain infrastructure. The final plat shows each lot area is 2,100 square feet or more, which exceeds the minimum lot size requirements. Following construction of the townhome units, the applicant/developer will sell each unit and form a Home Owner's Association (HOA). Covenants have been provided, which will establish the community, and rules and regulations that will govern the community.

In accordance with Article 1 of the Jasper County Land Development Regulations, the applicant has posted a performance bond in the amount of \$491,321.00, which is 125% of the Engineer's Opinion of Cost (\$392,935.00 as of January 20, 2026) to complete the construction of site infrastructure in Phase 2. Additionally, a maintenance guarantee has been posted in the amount of \$58,000 to guarantee that any failures or deficiencies of the roads and storm drains will be repaired or corrected if necessary.

Staff Recommendation: On behalf of Jasper County, Thomas & Hutton has overseen the installation of site infrastructure in Phase I. They have reviewed the as-builts, the final plat, the bonds, the covenants, and confirmed that all improvements have been installed and that all of the regulations required for final plat approval have been fulfilled for Phase 1 of Bailey Park. As such, staff recommends approval of the final plat for Phase 1 of Bailey Park Subdivision.

Attachments:

1. Application for Major Subdivision
2. Letter from Thomas & Hutton regarding the final plat review
3. Final Plat
4. As-Built Survey
5. Storm Drain Maintenance Guaranty
6. Road Maintenance Agreement
7. Maintenance Bond
8. Engineer's Opinion of Cost
9. Performance Bond
10. Declaration of Covenants



February 25, 2026

Ms. Lisa Wagner
Jasper County
358 Third Avenue
Ridgeland, SC 29936

Re: Bailey Park Townhomes
Jasper County, South Carolina
Final Major Subdivision Plat –
Phase 1 2B (South)
Third Review Comments
J-21976.0152

Dear Lisa:

We have received the final major subdivision plat submittal for the referenced project submittal. The following information was included in the submittal package:

- Bailey Park Subdivision Plat Phase 1 by Coastal Surveying Co., Inc., dated February 10, 2026
- Declaration of Covenants, Conditions, Restriction and Easements for Old Bailey, no date

This subdivision plat review was completed based on our interpretation of the latest Jasper County Zoning Ordinance and Land Development Regulations. Thomas & Hutton's review was performed in an effort to assess if the application package for the proposed improvements is in general conformance with Jasper County regulations. Our review shall not be interpreted as a detailed technical analysis of the design or for verification of technical sufficiency for elements of design. Under no circumstances shall our review and comments related to the site plans relieve the Applicant's Design Professional of their professional obligations and professional standards of care. As such, the design submitted by the Applicant's Design Professional shall be the sole responsibility of the Applicant's Design Professional. Thomas & Hutton shall not accept any responsibility for any liability due to design and construction, in whole or in part, for any aspect of the design and construction of design documents.

The applicant's last submittal package appears to address all prior major site plan comments and be in general conformance with Jasper County regulations with the exception of the following:

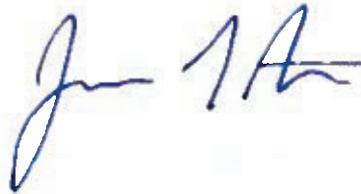
1. The Final Plat has been reviewed and found to be in compliance with Jasper County regulations. Please provide surveyor signature, seal and crimped seal on all Sheets of the Final Plat.
2. Covenants have been reviewed and found to be in compliance with Jasper County regulations.
 - Note that once covenants have been found to be satisfactory, covenants shall be recorded before or after recording of the Final Plat and at the time the acceptance of the bond.

- Note the building department shall not issue a building permit without a statement from the Property Owners Association or their designated representative indicating compliance of proposed plans with the requirements of recorded covenants.
- 3. Please provide SC licensed professional signature and stamp on all as-built survey documents. Per our conversation with the County, the applicant has stated that they will be hand delivered. County to confirm receipt.
- 4. Note the final plat must be recorded with the Jasper County Register of Deeds within seven days of the date of final approval by Planning Commission.

Thank you for your attention to this project. If there are any questions or comments, please feel free to call us at (912) 234-5300.

Sincerely,

THOMAS & HUTTON

A handwritten signature in blue ink, appearing to read "Jessica L. Routt". The signature is fluid and cursive, with the first name being the most prominent.

Jessica L. Routt, P.E.

SHEET 1
SHEET 2

JAMES LUIS COLETTI PROJECT
DATE: 11/24/23
DRAWN BY: JLS
APP. 081-00-04-001

CHRISTINA M. HANSEN & ASSOCIATES
DATE: 11/24/23
DRAWN BY: CMH
APP. 081-00-04-003

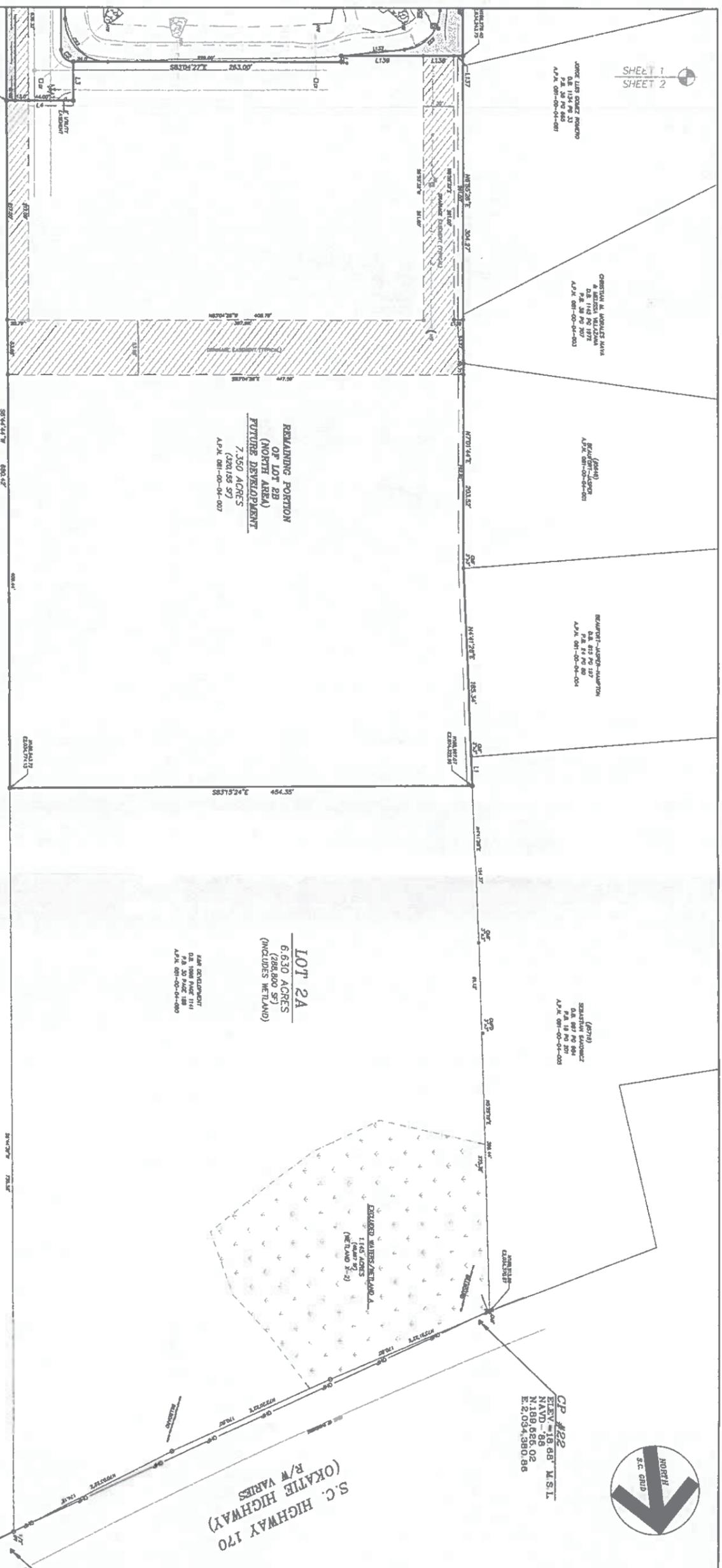
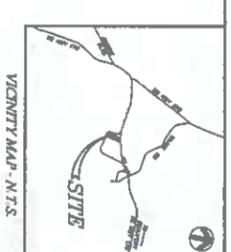
BLAIRTON-JASPER-SOUTH
DATE: 11/24/23
DRAWN BY: BJS
APP. 081-00-04-004

BLAIRTON-JASPER-SOUTH
DATE: 11/24/23
DRAWN BY: BJS
APP. 081-00-04-004

BLAIRTON-JASPER-SOUTH
DATE: 11/24/23
DRAWN BY: BJS
APP. 081-00-04-004

CIP #22
ELEV. = 18.98' M.S.L.
NAD 83
E: 2,034,380.166

CIP #23 (20029)
ELEV. = 18.98' M.S.L.
NAD 83
E: 2,034,384.47



SHEET 1
SHEET 2

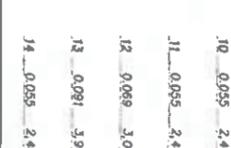
MOORE & ASSOCIATES
DATE: 11/24/23
DRAWN BY: M&A
APP. 081-00-04-010

LOT ACRES
SF

1	0.091	3,960	15	0.055	2,400	29	0.091	3,960	43	0.051	2,200	57	0.051	2,200	71	0.083	3,630	85	0.048	2,100
2	0.095	2,400	16	0.055	2,400	30	0.083	3,630	44	0.051	2,200	58	0.051	2,200	72	0.083	3,630	86	0.048	2,100
3	0.095	2,400	17	0.055	2,400	31	0.051	2,200	45	0.051	2,200	59	0.083	3,630	73	0.051	2,200	87	0.090	2,625
4	0.095	2,400	18	0.091	3,960	32	0.051	2,200	46	0.051	2,200	60	0.083	3,630	74	0.051	2,200			
5	0.095	2,400	19	0.089	3,000	33	0.051	2,200	47	0.083	3,630	61	0.051	2,200	75	0.051	2,200			
6	0.091	3,960	20	0.055	2,400	34	0.051	2,200	48	0.083	3,630	62	0.051	2,200	76	0.051	2,200			
7	0.089	3,000	21	0.055	2,400	35	0.083	3,630	49	0.051	2,200	63	0.051	2,200	77	0.083	3,630			
8	0.055	2,400	22	0.055	2,400	36	0.083	3,630	50	0.051	2,200	64	0.051	2,200	78	0.048	2,100			
9	0.055	2,400	23	0.055	2,400	37	0.051	2,200	51	0.051	2,200	65	0.083	3,630	79	0.048	2,100			
10	0.055	2,400	24	0.089	3,000	38	0.051	2,200	52	0.051	2,200	66	0.083	3,630	80	0.048	2,100			
11	0.095	2,400	25	0.091	3,960	39	0.051	2,200	53	0.083	3,630	67	0.051	2,200	81	0.048	2,100			
12	0.089	3,000	26	0.055	2,400	40	0.051	2,200	54	0.083	3,630	68	0.051	2,200	82	0.080	2,625			
13	0.081	3,960	27	0.055	2,400	41	0.083	3,630	55	0.051	2,200	69	0.051	2,200	83	0.080	2,625			
14	0.055	2,400	28	0.055	2,400	42	0.083	3,630	56	0.051	2,200	70	0.051	2,200	84	0.048	2,100			

- LEGEND**
- B.S.L. BUILDING SETBACK LINE
 - C.T.V. CABLE TELEVISION
 - D.L. DRIVE
 - E.L. ELECTRICAL
 - F.L. FLOORING
 - G.L. GROUND LEVEL
 - H.L. HORIZONTAL
 - I.L. INTERIOR
 - J.L. JOINT
 - K.L. KITCHEN
 - L.L. LIVING
 - M.L. MASTER
 - N.L. NORTH
 - O.L. OUTLET
 - P.L. PLUMBING
 - Q.L. QUARTERS
 - R.L. REAR
 - S.L. SIDE
 - T.L. TYPING
 - U.L. UTILITY
 - V.L. VENT
 - W.L. WATER
 - X.L. EXTERIOR
 - Y.L. YARD
 - Z.L. ZONE

- NOTES**
- THIS LOT IS IN ZONE "R", NO B.T.E. FOR FUTURE DEVELOPMENT.
 - THESE NOTES DO NOT CONSTITUTE A TITLE EXAMINATION BY THE ENGINEER. THE ENGINEER HAS REVIEWED THE RECORD PLAT AND THE DEEDS AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ZONING ORDINANCE.
 - THE ENGINEER HAS REVIEWED THE RECORD PLAT AND THE DEEDS AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ZONING ORDINANCE.
 - THE ENGINEER HAS REVIEWED THE RECORD PLAT AND THE DEEDS AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ZONING ORDINANCE.
 - THE ENGINEER HAS REVIEWED THE RECORD PLAT AND THE DEEDS AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ZONING ORDINANCE.
 - THE ENGINEER HAS REVIEWED THE RECORD PLAT AND THE DEEDS AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ZONING ORDINANCE.
 - THE ENGINEER HAS REVIEWED THE RECORD PLAT AND THE DEEDS AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ZONING ORDINANCE.
 - THE ENGINEER HAS REVIEWED THE RECORD PLAT AND THE DEEDS AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ZONING ORDINANCE.
 - THE ENGINEER HAS REVIEWED THE RECORD PLAT AND THE DEEDS AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ZONING ORDINANCE.
 - THE ENGINEER HAS REVIEWED THE RECORD PLAT AND THE DEEDS AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ZONING ORDINANCE.



GRAPHIC SCALE
SCALE IN FEET

PREPARED FOR:
KENNETH SCOTT BUILDERS
254 AND QUAIL STREET
BLAIRTON, SOUTH CAROLINA
29910

FORWARDED BY:
LOT 2B CHELSEA SUBDIVISION
T.P.N. 081-00-04-007

BAILEY PARK PHASE 1
OLD BAILEY ROAD

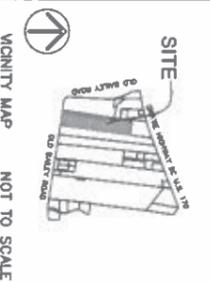
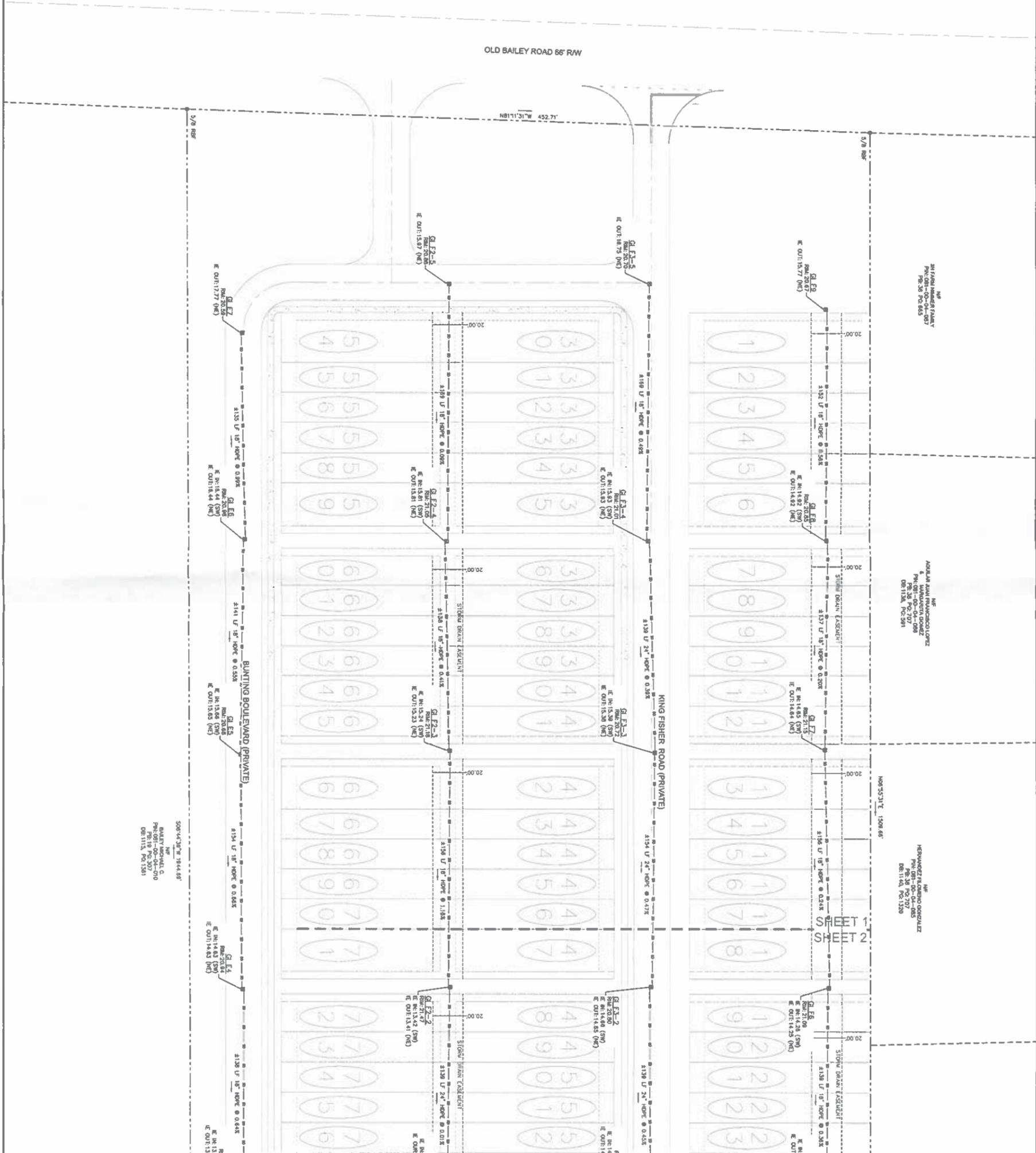
SCALE: 1" = 100'
DATE: 02/24/26
JOB NO.: 79,251 SUB

SURVEYED BY: C.K.S.
DRAWN BY: LAN
CHECKED BY: MRO

CONSTITUTIONAL
SOUTH CAROLINA
REGISTERED PROFESSIONAL ENGINEER
NO. 11,925

Sheet 3 of 3

(2011)
NORTH
SC GRID (NAD 83)



- LEGEND**
- GRATE INLET
 - HIGH DENSITY POLYETHYLENE
 - INVERT ELEVATION
 - PIPE END
 - REINFORCED CONCRETE PIPE
 - FRAME ELEVATION
 - GRATE INLET
 - STORM DRAIN MANHOLE
 - UNDERGROUND DRAINAGE LINE
 - 5/8" FROM REBAR FOUND
 - PROPERTY LINE
 - ADJACENT PROPERTY LINE
 - EASEMENT LINE

- NOTES**
1. VERTICAL CURVE IS HAND BE
 2. SET POINT DOES NOT CONSTITUTE A BOUNDARY SURVEY AND IS NOT FOR THE TRANSFER OF PROPERTY.
 3. IMPROVEMENTS MAY EXIST ON THIS PROPERTY PLATTED, BUT NOT SHOWN FOR THE PURPOSE OF THIS SURVEY. THE LOCATION OF ANY SUCH IMPROVEMENTS SHALL BE DETERMINED BY THE OWNER AND BE NOT LOCATED AT THE TIME OF SURVEY.
 4. COORDINATES AND DIRECTIONS SHOWN ON THIS SURVEY ARE BASED ON SOUTH CAROLINA STATE PLATTED SURVEY SYSTEM. DISTANCES ARE SHOWN AS BEARING DISTANCES, NOT GRID.
 5. ANYTHING SHOWN OUTSIDE THE BOUNDARIES OF THIS PLOT AND NOT BEING DEDICATED OR CONVEYED BY THIS SURVEY IS NOT TO BE CONSIDERED PART OF THIS SURVEY. THE DATE OF THIS SURVEY IS 10/18/2011. MAP NUMBER 200120110100 EFFECTIVE DATE 10/18/2011.

REFERENCES

1. CONSTRUCTION PLANS FOR BAILEY PARK.
2. DATE 07/07/2011.
3. PLAN NO. 200120110100.
4. 2011 SC STATE PLAT BOOK 1141.

PREPARED FOR:
KENNETH SCOTT BUILDERS
A STORM DRAIN UTILITY AS-BUILT SURVEY OF
BAILEY PARK PH 1

1X4 PANEL No. 018-00-04-007

DATE:
ALBERT GORDON, SURVEYOR CAROLINA
FIELD BOOK: 2011-00-001
FIELD DATE: 08-28-2011
SCALE: 1"=30'
SHEET 1 OF 2

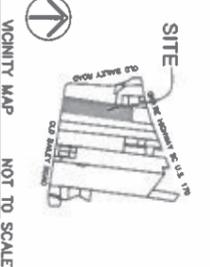
ATLAS SURVEYING, INC.
188 BOARDWALK DRIVE, SUITE A,
RIDGELAND, SC 29836
PHONE: (843) 645-9277
WEBSITE: WWW.ATLASSURVEYING.COM

SOUTH CAROLINA SURVEYOR
ALBERT GORDON
No. 41980
STATE OF SOUTH CAROLINA

SOUTH CAROLINA SURVEYOR
DANIEL E. LANGRISH
No. 41980
STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA
DANIEL E. LANGRISH
No. 41980
STATE OF SOUTH CAROLINA

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THE RECORDS OF THE SURVEY SHOWN HEREIN WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE AND METHODS OF SURVEYING AND METERS ON EXCESSIVE MEASUREMENTS FOR A CLASS "A" SURVEY AS REQUIRED BY THE SCRS.



VICINITY MAP
NOT TO SCALE

- LEGEND
- RAI PAVE ELEVATION
 - WDRY ELEVATION
 - PVC POLYMER CONCRETE PIPE
 - SAVITARY SEWER MANHOLE
 - FORCE MAIN
 - UR UNDERGROUND SEWER LINE
 - RR 3/8" IRON REBAR FOUND
 - PROPERTY LINE
 - ADJACENT PROPERTY LINE
 - EASEMENT LINE
 - AIR RELEASE VALVE

- NOTES
1. VERTICAL DATUM IS NAVD 83.
 2. THIS PLAT DOES NOT CONSTITUTE A BOUNDARY PLAT, BUT IS NOT FOR THE TRANSFER OF PROPERTY.
 3. APPROPRIATORS MAY EXIST ON THIS PROPERTY PLATTED, BUT NOT SHOWN FOR THE PURPOSE OF THIS SURVEY. ALL ITEMS IN THIS SURVEY ARE FOR THE SURVEY AND NOT TO BE LOCATED AT THE DISTANCE.
 4. COORDINATES AND DIRECTIONS SHOWN ON THIS SURVEY ARE BASED ON SOUTH CAROLINA STATE PLANE COORDINATE SYSTEM (NAD 83) DISTANCES SHOWN ARE BASED ON THE SURVEY DISTANCES.
 5. NOTHING SHOWN OUTSIDE THE BOUNDARIES OF THIS PARTICULAR PARCEL PLATTED IS FOR INFORMATION ONLY AND NO RIGHTS ARE BEING GRANTED.
 6. THIS PARCEL APPEARS TO BE IN FLOOD ZONE X. THE FLOOD ZONE X IS BASED ON FEMA FLOOD DATA. EFFECTIVE DATE 10/18/2019.

REFERENCES

1. CONSTRUCTION PLAT FOR BAILEY PARK. BY: MORGAN COLE, INC. DATE: 08-28-2018. PLAT NO. 2018-00118.
2. DEED BOOK: 1088 P. 111.
3. DEED BOOK: 1088 P. 111.

PREPARED FOR:
KENNETH SCOTT BUILDERS
A SEWER FORCE MAIN UTILITY AS-BUILT SURVEY OF
BAILEY PARK PH 1

TAX PARCEL NO. 018-00-04-007

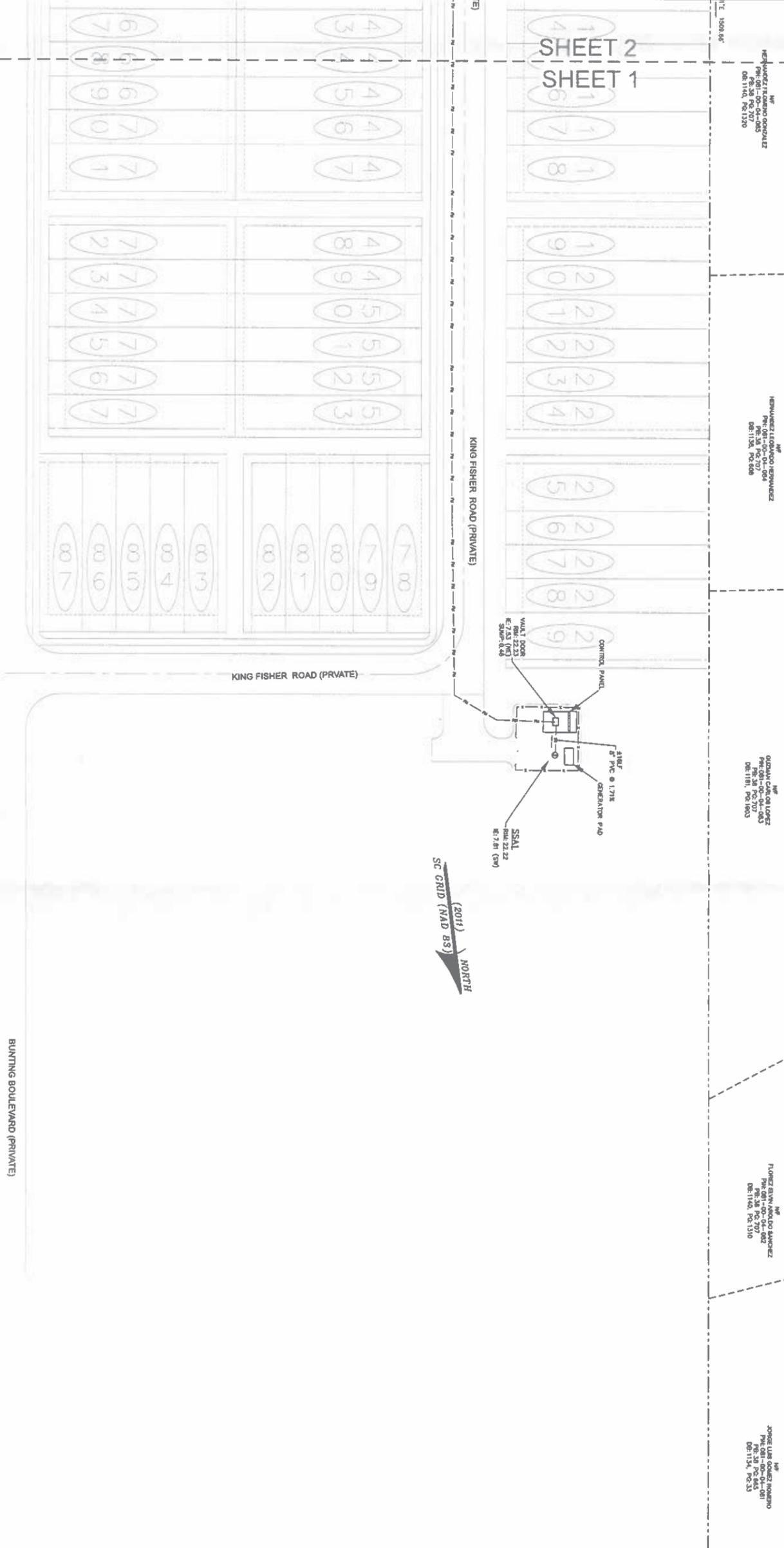
DATE:
JUGEN COUNTY, SOUTH CAROLINA
FIELD NO. 1818
FIELD DATE: 08-28-2018
PLAT DATE: 08-28-2018
PROJECT NO.: 1818-2008
SHEET 1 OF 3

ATLAS SURVEYING, INC.
168 BOARDWALK DRIVE, SUITE A
RIDGELAND, SC 29936-3277
PHONE: (803) 645-5272
WEBSITE: WWW.ATLASSURVEYING.COM



I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THIS SURVEYING, MEASUREMENT, AND CALCULATION, AND THE STANDARDS OF THE STANDARDS OF PRACTICE AND USES OF EXCESS SURVEYING IN SOUTH CAROLINA CLASS "A" SURVEY AS PROVIDED BY THE STATE OF SOUTH CAROLINA.

DANIEL B. LANGFORD
S.C.P.L.S. No. 42680
168 BOARDWALK DRIVE, SUITE A
RIDGELAND, SC 29936-3277



50' x 13' 0" = 1844.48'

BAILEY PARK PH 1
PREPARED FOR:
KENNETH SCOTT BUILDERS
A SEWER FORCE MAIN UTILITY AS-BUILT SURVEY OF
BAILEY PARK PH 1

GRAPHIC SCALE (1"=30')

HERNANDEZ FLORENO GONZALEZ
P.L. 081-00-04-005
08-11-04, PG. 12/20

HERNANDEZ FLORENO GONZALEZ
P.L. 081-00-04-004
08-11-04, PG. 08/08

QUINLAN CAROL LOPEZ
P.L. 081-00-04-003
08-11-04, PG. 18/03

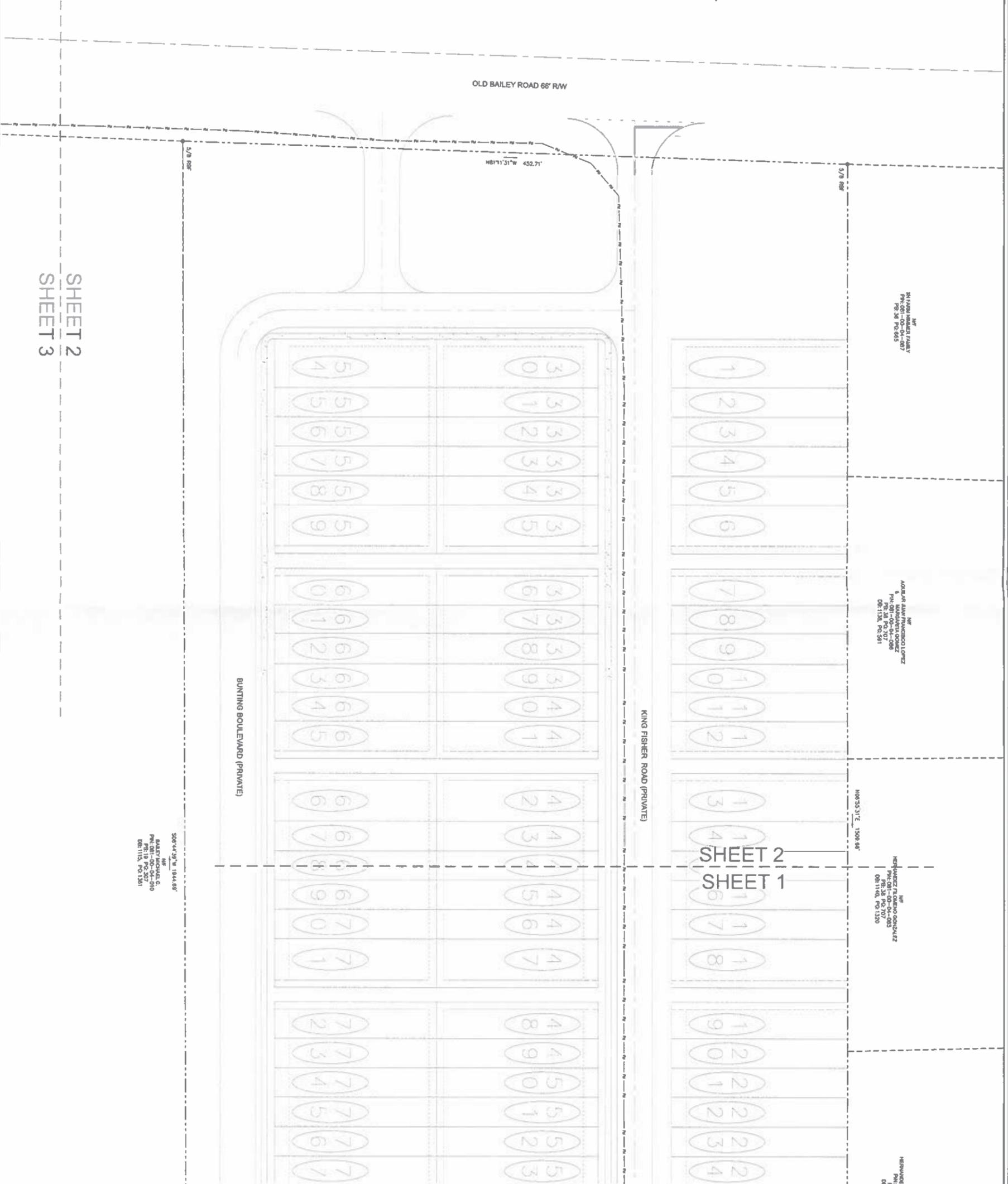
FLORES RAFAEL GONZALEZ
P.L. 081-00-04-002
08-11-04, PG. 13/10

JOSE LUIS GONZALEZ
P.L. 081-00-04-001
08-11-04, PG. 3/3

SHEET 2
SHEET 1

(2011)
SC GRID (NAD 83)
NORTH

(2011)
SC GRID (NAD 83)
NORTH



NE
2011001 MARISSA TULLY
PK: 081-00-04-003
DB: 11/04, PC: 1200

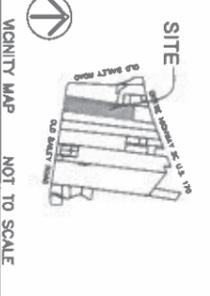
NE
ADRIAN ALVARADO LOPEZ
&
MARIVALLA DOMEZ
PK: 081-00-04-003
DB: 11/04, PC: 1200

NE
HERNANDEZ RAFAEL DOMINGUEZ
PK: 081-00-04-003
DB: 11/04, PC: 1200

NE
HERNANDEZ
PK: 081-00-04-003
DB: 11/04, PC: 1200

509°42'31\"/>

SHEET 2
SHEET 3



- LEGEND
- PAV PAVEMENT ELEVATION
 - INVERT ELEVATION
 - PVC POLYMER CLAY PIPE
 - SMALLER SIZE MANHOLE
 - MANHOLE
 - UNDERGROUND SEWER LINE
 - 5/8\"/>
 - PROPERTY LINE
 - ADJACENT PROPERTY LINE
 - EASEMENT LINE
 - AIR RELEASE VALVE

- NOTES
1. VERTICAL DATUM IS NAAD 83.
 2. THIS PLAN DOES NOT CONSTITUTE A BOUNDARY SURVEY AND IS NOT FOR THE PURPOSE OF PROPERTY.
 3. IMPROVEMENTS MAY EXIST ON THIS PROPERTY BUT ARE NOT SHOWN FOR THE PURPOSE OF THIS SURVEY. ALL UTILITIES ARE TO BE LOCATED AT THE TIME OF CONSTRUCTION.
 4. COORDINATES AND DIRECTIONS SHOWN ON THIS SURVEY ARE BASED ON SOUTH CAROLINA STATE COORDINATE SYSTEM (NAD 83) AND DISTANCES SHOWN ARE GEODESIC DISTANCES.
 5. ANYTHING SHOWN OUTSIDE THE BOUNDARIES OF THIS PARTICULAR PARCEL PLATTED IS FOR INFORMATION ONLY AND NO RIGHTS ARE BEING DEDICATED.
 6. THIS PARCEL APPEARS TO BE IN FLOOD ZONE X. EFFECTIVE DATE: 10/18/2019.
- REFERENCES
1. CONSTRUCTION PLAN FOR BAILEY PARK.
 2. PLAT NO. 20 FOR 100.
 3. OLD BOUNDARY PLAT NO. 141.

PREPARED FOR:
KENNETH SCOTT BUILDERS
A STEW FORD LAMM UTILITY AS-BUILT SURVEY OF
BAILEY PARK PH 1

TAX PARCEL NO. 018-00-04-007
DATE: 10/18/2019
JUPITER COUNTY, SOUTH CAROLINA
FIELD BOOK: 2019-001
FIELD DATE: 08-28-2019
FIELD TIME: 08:30-12:00
PROJECT NO.: 1712019
SHEET 2 OF 3

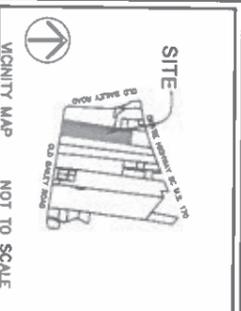
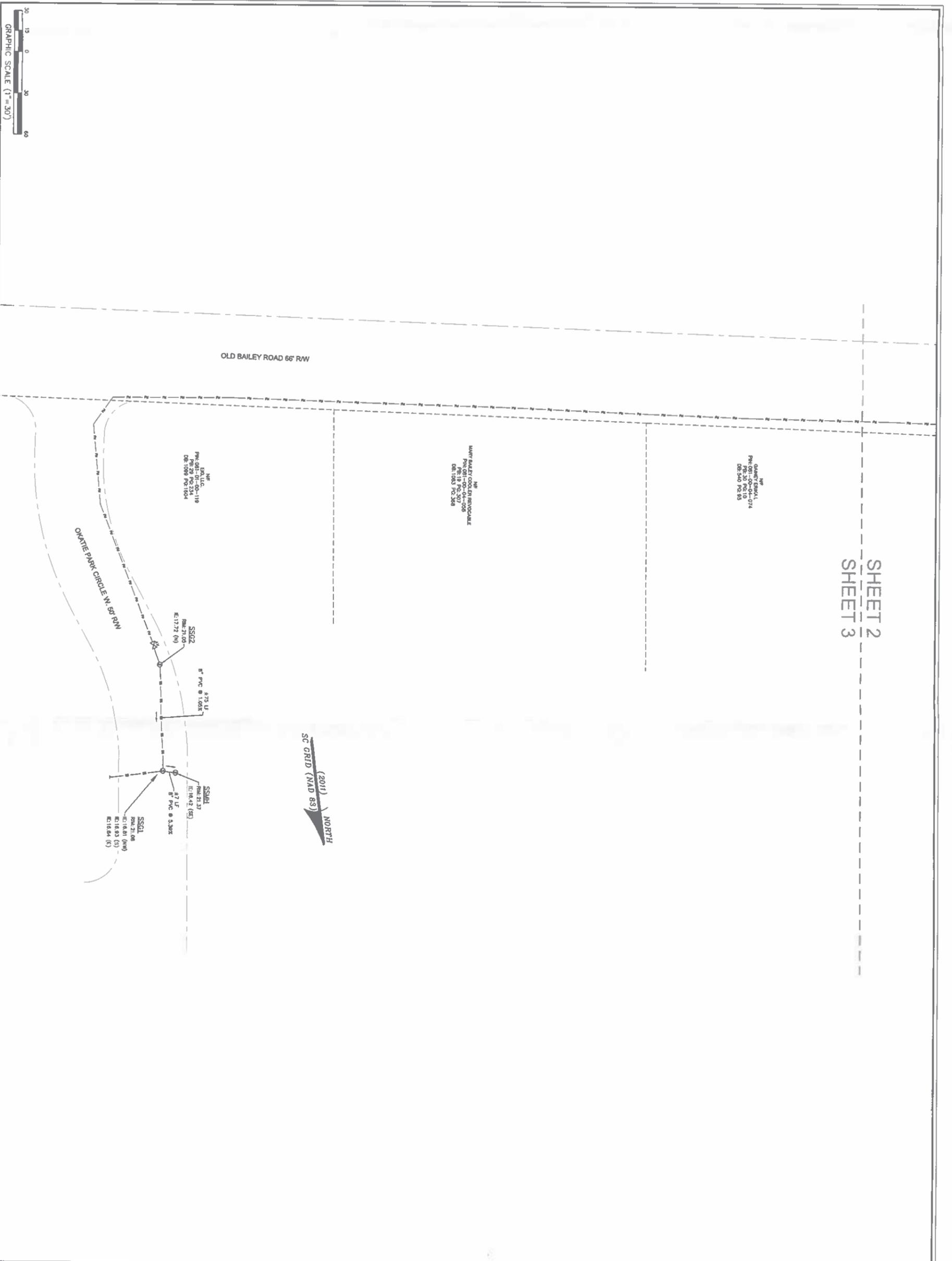
ATLAS
SURVEYING, INC.
168 BOUNDARY DRIVE, SUITE A,
RIDGELAND, SC 29384-2277
PHONE: (803) 781-1111
WEBSITE: WWW.ATLASSURVEYING.COM



I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS SURVEY SHOWS CORRECTLY AND ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE AND USES OF EXCESS SURVEYING INSTRUMENTS FOR A CLASS \"A\" SURVEY AS REQUIRED BY THE RULES AND REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING.

Daniel B. Lynam
S.C. P.E. No. 42880
S.C. P.S. No. 42880
168 BOUNDARY DRIVE, SUITE A, RIDGELAND, SC 29384-2277

SHEET 2
SHEET 3



- LEGEND
- RM FRAME ELEVATION
 - IE RIGHT ELEVATION
 - PVC POINTING CLOSURE PPE
 - SMARTWAY SIGN BARRIERS
 - FOSSILS
 - LANDSCAPING SEWER LINE
 - 1/2" IRON REBAR FOUND
 - PROPERTY LINE
 - ADJACENT PROPERTY LINE
 - EXISTENT LINE
 - AM RELEASE VALVE

- NOTES
1. VERTICAL DATUM IS NAVD 83.
 2. THE PLAT DOES NOT CONSTITUTE A WARRANTY SURVEY AND IS NOT FOR THE TRANSFER OF PROPERTY.
 3. IMPROVEMENTS MAY EXIST ON THIS PROPERTY PLATTED, BUT NOT SHOWN FOR THE PURPOSE OF THIS SURVEY. THE LOCATION OF ANY SUCH IMPROVEMENTS SHOULD BE DETERMINED BY THE OWNER AND REFERENCED ONLY AND WERE NOT LOCATED AT THE TIME OF SURVEY.
 4. CORNER MARKS AND DIRECTIONS SHOWN ON THIS PLAT ARE BASED ON SOUTH CAROLINA STATE SURVEYING SYSTEM. DISTANCES SHOWN ARE GROUND DISTANCES, NOT GRID DISTANCES.
 5. ANYTHING SHOWN OUTSIDE THE BOUNDARIES OF THIS PLAT AND NO RIGHTS ARE BEING GRANTED OR RESERVED BY THIS SURVEY.
 6. THIS PARCEL APPEARS TO BE IN GOOD STONE & CONCRETE CONDITION. MAP NUMBER 4000-000-0000 DETERMINE DATE 10/18/2018.
- REFERENCES
- 1. CONSTRUCTION PLANS FOR BAILEY PARK.
 - 2. DATE: 07/20/2024.
 - 3. PLAT NO: 2024-001114.
 - 4. ROAD DISTANCE: 1114.

PREPARED FOR:
KENNETH SCOTT BUILDERS
A SEWER FORCE MAIN UTILITY AS-BUILT SURVEY OF
BAILEY PARK PH 1

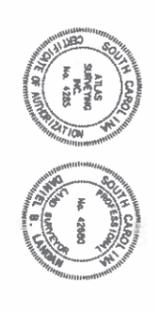
TAX PARCEL No. 018-00-04-007

DATE:
ADJUTANT COUNTY, SOUTH CAROLINA

READ DATE: 08-28-2024
READ TIME: 09:17:00
BY: [Signature]
SHEET 1 OF 2

ATLAS SURVEYING, INC.

168 BOARDWALK DRIVE, SUITE A,
RIDGELAND, SC 29936
PHONE: (843) 645-9277
WEBSITE: WWW.ATLASSURVEYING.COM



I, ADJUTANT COUNTY, SOUTH CAROLINA, DO HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE STANDARDS OF PRACTICE FOR PROFESSIONAL SURVEYING AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS PROVIDED BY THE PROFESSION.

DANIEL B. LYNDON
SOUTH CAROLINA PROFESSIONAL SURVEYOR
NO. 42850

STORM DRAIN GUARANTY

This Storm Drain Guaranty ("Guaranty") is made and entered into this 20th day of January, 2026 by K & R Development, LLC, a South Carolina limited liability company ("Guarantor"), in favor of Jasper County, South Carolina ("County").

WHEREAS, Guarantor has performed certain storm drain work ("Work") on the real property located in Jasper County, South Carolina, as more fully described in Exhibit A attached hereto and incorporated herein by reference ("Property"); and

WHEREAS, the County requires a guaranty of the Work to ensure its quality and performance over a specified period;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby warrants and guarantees the following:

1. **Guaranty Period:** The Guarantor warrants that the Work will be free from defects in materials and workmanship for a period of two (2) years commencing from the date of completion of the Work ("Guaranty Period").
2. **Obligations of the Guarantor:** Should any defect in materials or workmanship arise during the Guaranty Period, the Guarantor shall, at its sole expense, repair or replace within a reasonable time the defective portion of the Work to the reasonable satisfaction of the County, provided that the County has complied with the notice requirements set forth in Section 3 and the defect is not excluded under Section 4. The Guarantor shall have a reasonable period of time, not less than thirty (30) days from receipt of notice, to commence repairs.
3. **Notice of Defects:** The County shall provide written notice to the Guarantor of any defects discovered during the Guaranty Period within thirty (30) days of discovery.
4. **Exclusions and Limitations:** This Guaranty shall not cover defects or damages resulting from: (a) misuse, abuse, or negligence by the County or any third party; (b) acts of God, including but not limited to floods, hurricanes, earthquakes, or other natural disasters; (c) normal wear and tear; (d) failure of the County to perform required maintenance; (e) modifications or

alterations to the Work not performed by Guarantor; (f) soil settlement or subsidence not caused by Guarantor's workmanship; (g) damage caused by third parties; or (h) any cause beyond the reasonable control of the Guarantor. This Guaranty is the sole and exclusive warranty provided by Guarantor with respect to the Work. GUARANTOR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. GUARANTOR'S SOLE OBLIGATION UNDER THIS GUARANTY IS TO REPAIR OR REPLACE DEFECTIVE WORK AS PROVIDED HEREIN, AND GUARANTOR SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THE WORK OR THIS GUARANTY.

5. **Assignment:** This Guaranty shall inure to the benefit of the County and its successors, but not to assigns or transferees of the Property. This Guaranty shall be binding upon the Guarantor.
6. **Governing Law and Dispute Resolution:** This Guaranty shall be governed by and construed in accordance with the laws of the State of South Carolina. Any dispute arising out of or relating to this Guaranty shall first be subject to good faith negotiation between the parties. If the dispute cannot be resolved through negotiation within thirty (30) days, either party may pursue binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, with the arbitration to be held in Jasper County, South Carolina. The prevailing party in any such dispute shall be entitled to recover its reasonable attorneys' fees and costs.

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty as of the day and year first above written.

K & R Development, LLC
a South Carolina limited liability company

By: 
Name: Jennifer Tosky
Title: Member/Manager

EXHIBIT A

DESCRIPTION OF THE PROPERTY

All that certain piece, parcel, or tract of land situate, lying and being in Jasper County, South Carolina, being 20.00 acres, more or less, as shown as Lot 2B on that certain plat entitled "Boundary Reconfiguration of 3 Portions of Lot 2, J.C. Bailey Subdivision, Chelsea, Jasper County, South Carolina" dated August 30, 2007 and recorded on September 6, 2007 in Plat Book 30 at Page 188 in the Jasper County Records.

STATE OF SOUTH CAROLINA)

ROAD MAINTENANCE

AGREEMENT FOR:

COUNTY OF JASPER)

Bailey Park

SUBDIVISION

WHEREAS, the undersigned, K&R Development LLC is the owner and developer of the property described below, and:

WHEREAS K&R DEVELOPMENT LLC desires to impose restrictions and conditions for the use and maintenance of the Bailey Park roads to be jointly owned by any and all purchasers of the lots set forth hereinafter below.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the K&R Development LLC does hereby impose the following restrictions and conditions and covenants upon the lands described as follows:

All those certain pieces, parcels lots of land, situate, lying and being in Jasper County, South Carolina, being shown and described as "LOT 2B, 20.00 AC. 871,028 S.F" on that certain plat entitled "Boundary Reconfiguration of: 3 Portions of Lot 2, J. C. Bailey Subdivision, Chelsea, Jasper County, South Carolina", dated 08/30/07, prepared by Sea Island Land Survey, LLC, Mark R. Renew, S.C.R.L.S No: 25437, and recorded in the office of the register of Deeds for Jasper County, South Carolina in Plat Book 30 at Page 188. For a full and complete description as to the metes, bounds, course, distances, and all other matters shown and disclosed thereon, reference to said plat shall be had.

THE CONDITION AND RESTRICTIONS imposed on the aforesaid property are as follows:

1. The main access roads running through said property as shown on the aforesaid plat is for the joint use of the owners of lots numbered #1- #163 their heirs, successors and assigns, for ingress and egress to and from the respective lots and for the installation of public utilities. These owners shall be called the Bailey Park Property Owners Association hereinafter called the Association.
2. A property owner is a person, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof, which is the holder of a deed to a lot in Bailey Park subdivision. It is the responsibility of each present and subsequent member of the Association to assist in keeping the road in a high state of maintenance and to respect the rights of the other property owners in its use.

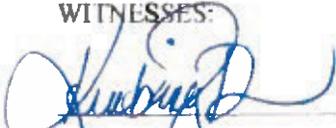
3. Maintenance costs to the said roadway shall be borne in accordance with the percentage of ownership of the lots hereinabove set forth: said interest at this state being solely in the name of K&R Development LLC. Percentage shall be divided equally for each lot owned. Therefore, with the property subdivided into 163 lots, the ownership of each lot represents 1/163 of the maintenance cost to be shared. The developer shall carry all the responsibilities of a lot owner in proportion to the number of lots owned.
4. The Association in January of each year shall elect a Board of Directors consisting of at least 3 members. This Board shall be responsible for the care and maintenance of the roadways in Bailey Park Subdivision and is authorized to direct the financial matters of the property owners concerning collection of assessments and necessary expenditures of joint funds of the property owners. To carry out these duties, the Board shall elect a President, Vice- President, Secretary and Treasurer.
5. Upon the initial sale of each lot, \$250.00 dollars shall be set aside in escrow by developer to be drawn upon as determined by the Board of Directors stipulated above to provide maintenance to aforesaid roadway.
6. There shall also be an annual assessment upon each lot owner, which shall be due on July 1st of each year. Initially this assessment shall be \$500.00 dollars per lot per year. This amount may be changed at any time by a two -thirds vote of the members of the Association. The obligation of lot owner to pay this assessment shall be a continuing lien upon the lot, subject only to the lien on a bona fide first mortgage upon such real property held by a reputable financial institution; and said lien may be enforced by the Association in all respects as though secured by a recorded mortgage as provided by the laws of the State of South Carolina.
This instrument is to be recorded in the Jasper County office of the Register of Deeds, and the Undersigned, K&R Development LLC and all future owners shall cause the following statement to be placed in every contract and deed conveying lots out of this subdivision. This statement shall be signed by the grantee(s) and shall be placed immediately below the grantor's signature and shall be binding on all parties thereof. Failure of any subsequent purchaser to comply with this provision shall in no way diminish or impair the terms of this agreement and the conditions, benefits, and obligations imposed and granted thereunder.
7. "I, the undersigned, as purchaser of the above lot described in this deed/ contract, acknowledge the existence of the road maintenance agreement as recorded in the office of the Register of Deeds for Jasper County in Deed Book 30 at Page 188. Do hereby confirm by acceptance of this deed/ contract all the terms and conditions thereof.
I further acknowledge that the lot owners subject to that agreement shall be responsible for the maintenance and upkeep of that road."
It is agreed that said road shall be kept free of all obstructions so as to be open for the passage of fire, police and other emergency vehicles, personnel or equipment at all times; and that such responsibility lies with the respective property owners, their agents, guests and employees.
8. That said roadways shall be posted as a "privately maintained road" prior to the conveyance of properties and shall remain posted in that manner at all times.
9. These covenants and restrictions are to run with and bind the land, and shall inure to the benefit of

and bind property owners subject to this agreement, their respective legal representatives, heirs, successors and assigns for a term of twenty (20) years from the date this agreement is recorded in the office of the Register of Deeds for Jasper County: after which time said agreement shall be automatically extended for successive periods of ten (10) years unless an instrument has been recorded whereby the owners of the lots have agreed to a change in this agreement.

10. Changes in this agreement either in whole or in part may be executed at any time by the recording of an instrument signed by a majority of the members of the Association.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed this the 1st day of August, 2024 in Jasper County, South Carolina.

WITNESSES:



(Witness #1 sign)

(Witness #2 sign)

By: Property Owner(s)





(Owner or owners sign)

STATE OF SOUTH CAROLINA
COUNTY OF JASPER

PERSONALLY APPEARED before me the undersigned witness, who duly being sworn, deposes and says the (s)he saw the within named property owner(s) sign and seal the within Road Maintenance Agreement for the uses and purposes therein mentioned and that (s)he with the other witness, witnessed the execution thereof.

SWORN TO BEFORE ME THIS

1st day of August, 2024



(L.S.)

Notary Public for South Carolina

My Commission Expires: 09/25/2033







Bond No. 3528077

MAINTENANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that we 2103K & R Development, LLC as Principal, and **SureTec Insurance Company**, 2103 Citywest Blvd, Ste 1300, Houston, TX 77042 (*address*), a corporation organized under the laws of the State of Texas, and duly authorized to do business in the State of South Carolina as Surety, are held and firmly bound unto Jasper County, SC as Obligee, in the penal sum of Fifty Eight Thousand & 00/100 Dollars (\$58,000.00) to which payment well and truly to be made we do bind ourselves, and each of our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

WHEREAS, the said Principal has completed, and owner has inspected and accepted as being complete in accordance with applicable design documents (failing which, this bond shall become effective only upon such completion and inspection) that certain work (herein referred to as the "Work") described as: Maintenance of the improvements and/or correction of deficiencies for Asphalt Paving and Storm Drain For Phase 1, Bailey Park.

WHEREAS, said Obligee requires that the Principal furnish a bond conditioned to guarantee for the period of 2 year(s) after substantial completion of the Work against defects in workmanship and materials which are the responsibility of the Principal under the contract under which the Work was constructed, and which did not appear prior to the final completion of the Work.

NOW THEREFORE, THE CONDITIONS OF THIS OBLIGATION IS SUCH that, if the Principal shall indemnify the Obligee for all loss that the Obligee may sustain by reason of defective materials or workmanship which may first become apparent, and with respect to which written notice is delivered to Surety, before the expiration of the period of 2 year(s) from and after date of substantial completion of the Work, then this obligation shall be void, otherwise to remain in full force and effect.

This obligation does not cover normal wear and tear of materials, misuse or abuse by the Obligee or third parties, failure of Owner to perform owner-required maintenance, nor any defects known to Obligee prior to final completion of the Work nor any defects discovered or occurring after the expiration of the period set forth above.

Surety's liability on any performance bond previously executed in connection with the Work shall terminate automatically upon acceptance of this Bond and Surety's liability shall thereafter be determined exclusively in accordance with the terms of this Bond.

No right of action shall accrue hereunder to or for the benefit of any person or entity other the Obligee named herein, nor shall any suit be filed or action maintained on this bond more than twenty five (25) months after the date of the earliest timely notice of defect by Obligee to Surety.

SIGNED, SEALED AND DATED THIS 18th day of February, 2026.



1

2

3

4

Signatures on following page

Principal: K & R Development, LLC

By: Jennifer R. Tosky Signature

Name: Jennifer R. Tosky

Title: Managing Member

SureTec Insurance Company

By: C. Wayne McCartha Signature

Name: C. Wayne McCartha
Attorney-in-Fact

The Rider(s) Attached Hereto Is/Are Incorporated in the Bond and Contains Important Coverage Information and Limitations

MOORE CIVIL

CONSULT. DESIGN. ENGINEER.

Jasper County Planning Department
Lisa Wagner
Director of Planning & Building Services
358 Third Avenue
Ridgeland, SC 29936

Subject: 10185 – Bailey Park
Opinion of Probable Cost – **Remaining as of 1/20/2026**

Lisa,

Please see below the Opinion of Probable Cost for the Bailey Park project located on Old Bailey Road in Jasper County, South Carolina.

ITEMS	LUMP SUM COST
ASPHALT PAVING	\$ 215,606.40
4' SIDEWALKS	\$ 23,145.20
LINE STRIPING & ROAD SIGNAGE	\$ 9,598.80
CONDUITS	\$ 0.00
STORM DRAIN	\$ 0.00
CLEARING AND GRUBBING	\$ 0.00
SILT FENCE	\$ 3,000.00
SEEDING	\$ 5,485.50
GRADING	\$ 68,500.00
LANDSCAPING	\$ 67,600.00
TOTAL=	\$ 392,935.90

Please feel free to call and discuss any concerns or questions you may have.



ROBERT@MOORECIVIL.COM



706.224.1629



REMJRM/C

Thanks,

Robert E. Moore, Jr.

Robert E. Moore, Jr. P.E.
Moore Civil Consulting, Inc.
P.O. Box 826
Perry, GA 31069
(706)-224-1629
robert@moorecivil.com



SUBDIVISION BOND

Bond No. 1114705

KNOW ALL MEN BY THESE PRESENTS, that we D. R. Horton, Inc.

30 Silver Lake Road Okatie, SC 29909

as Principal, and The Hanover Insurance Company

authorized to do business in the State of SC, as Surety, are held and firmly bound unto

Jasper County

as Oblige, in the penal sum of Three Hundred Seventy One Thousand Three Hundred Twenty Dollars and Sixty Cents

(\$ 371,320.60) DOLLARS, lawful money of

the United States of America, for the payment of which well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, D. R. Horton, Inc.

has agreed to construct in Bailey Park Phase 1

the following improvements: Bailey Park Phase 1 - 51500 subledger 4816203 Site Restoration

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall construct, or have constructed, the improvements herein described and shall save the Oblige harmless from any loss, cost or damage by reason of its failure to complete said work, then this obligation shall be null and void; otherwise to remain in full force and effect.

Signed, sealed and dated this 18th day of February, 2025.

D. R. Horton, Inc.

By: [Signature] Principal

The Hanover Insurance Company

By: [Signature] Attorney-in-Fact
Noah William Pierce



THE HANOVER INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY
CITIZENS INSURANCE COMPANY OF AMERICA

POWER OF ATTORNEY

THIS Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

KNOW ALL PERSONS BY THESE PRESENTS:

That THE HANOVER INSURANCE COMPANY and MASSACHUSETTS BAY INSURANCE COMPANY, both being corporations organized and existing under the laws of the State of New Hampshire, and CITIZENS INSURANCE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Michigan, (hereinafter individually and collectively the "Company") does hereby constitute and appoint

Noah William Pierce

Of Tampa, FL individually, if there be more than one named, as its true and lawful attorney(s)-in-fact to sign, execute, seal, acknowledge and deliver for, and on its behalf, and as its act and deed any place within the United States, any and all surety bonds, recognizances, undertakings, or other surety obligations. The execution of such surety bonds, recognizances, undertakings or surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company, in their own proper persons. Provided however, that this power of attorney limits the acts of those named herein; and they have no authority to bind the Company except in the manner stated and to the extent of any limitation stated below:

Any such obligations in the United States, not to exceed Forty Million and No/100 (\$40,000,000) in any single instance

That this power is made and executed pursuant to the authority of the following Resolutions passed by the Board of Directors of said Company, and said Resolutions remain in full force and effect:

Surety Bond Number: 1114705
Principal: D. R. Horton, Inc.
Obligee: Jasper County

RESOLVED: That the President or any Vice President, in conjunction with any Vice President, be and they hereby are authorized and empowered to appoint Attorneys-in-fact of the Company, in its name and as it acts, to execute and acknowledge for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, waivers of citation and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by such Attorneys-in-fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company in their own proper persons.

RESOLVED: That any and all Powers of Attorney and Certified Copies of such Powers of Attorney and certification in respect thereto, granted and executed by the President or Vice President in conjunction with any Vice President of the Company, shall be binding on the Company to the same extent as if all signatures therein were manually affixed, even though one or more of any such signatures thereon may be facsimile. (Adopted October 7, 1981 - The Hanover Insurance Company; Adopted April 14, 1982 - Massachusetts Bay Insurance Company; Adopted September 7, 2001 - Citizens Insurance Company of America and affirmed by each Company on March 24, 2014)

IN WITNESS WHEREOF, THE HANOVER INSURANCE COMPANY, MASSACHUSETTS BAY INSURANCE COMPANY and CITIZENS INSURANCE COMPANY OF AMERICA have caused these presents to be sealed with their respective corporate seals, duly attested by two Vice Presidents, this 6th day of April, 2023



The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America

James H. Kawebel
James H. Kawebel, Vice President

The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America

Ben M. Mendoza
Ben M. Mendoza, Vice President

STATE OF CONNECTICUT)
COUNTY OF HARTFORD) ss.

On this 6th day of April 2023 before me came the above named Executive Vice President and Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, to me personally known to be the individuals and officers described herein, and acknowledged that the seals affixed to the preceding instrument are the corporate seals of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, respectively, and that the said corporate seals and their signatures as officers were duly affixed and subscribed to said instrument by the authority and direction of said Corporations.

Wendy Latoumes
Notary Public, State of Connecticut
My Commission Expires July 31, 2025

Wendy Latoumes
Wendy Latoumes, Notary Public
My commission expires July 31, 2025

I, the undersigned Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, hereby certify that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Powers of Attorney are still in force and effect.

GIVEN under my hand and the seals of said Companies, at Worcester, Massachusetts, this 18th day of February, 2025.

CERTIFIED COPY

The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America

John Rowdier
John Rowdier, Vice President

GENERAL SURETY RIDER

To be attached and form a part of

Bond No. 1114705
For Bailey Park, Phase 1 and Phase 2 - 51500 subledger 4816203
Site Restoration and Site Infrastructure, C
Dated effective 02/18/2025 (MONTH, DAY, YEAR)
Executed by D. R. Horton, Inc., as Principal, (PRINCIPAL)
And by The Hanover Insurance Company, as Surety, (SURETY)
And in favor of Jasper County (OBLIGEE)

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing

INFORMATION	FROM	TO
Bond Description	Bailey Park Phase 1 - 51500 subledger 4816203 Site Restoration	Bailey Park, Phase 1 and Phase 2 - 51500 subledger 4816203 Site Restoration and Site Infrastructure

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective

02/18/2025

(MONTH, DAY, YEAR)

Signed and Sealed

02/16/2026

(MONTH, DAY, YEAR)



BY

A handwritten signature in blue ink, appearing to be "D. R. Horton, Inc.".

D. R. Horton, Inc.
PRINCIPAL

Assistant Secretary
TITLE

BY

A handwritten signature in blue ink, appearing to be "Jynell Marie Whitehead".

The Hanover Insurance Company
SURETY

Jynell Marie Whitehead, ATTORNEY-IN-FACT



THE HANOVER INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY
CITIZENS INSURANCE COMPANY OF AMERICA

POWER OF ATTORNEY

THIS Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

KNOW ALL PERSONS BY THESE PRESENTS:

That THE HANOVER INSURANCE COMPANY and MASSACHUSETTS BAY INSURANCE COMPANY, both being corporations organized and existing under the laws of the State of New Hampshire, and CITIZENS INSURANCE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Michigan, (hereinafter individually and collectively the "Company") does hereby constitute and appoint

Jynell Marie Whitehead

Of Greenville, SC individually, if there be more than one named, as its true and lawful attorney(s) in fact to sign, execute, seal, acknowledge and deliver for, and on its behalf, and as its act and deed any place within the United States, any and all surety bonds, recognizances, undertakings, or other surety obligations. The execution of such surety bonds, recognizances, undertakings or surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company, in their own proper persons. Provided however, that this power of attorney limits the acts of those named herein; and they have no authority to bind the Company except in the manner stated and to the extent of any limitation stated below.

Any such obligations in the United States, not to exceed Forty Million and No/100 (\$40,000,000) in any single instance. That this power is made and executed pursuant to the authority of the following Resolutions passed by the Board of Directors of said Company, and said Resolutions remain in full force and effect

Surety Bond Number: 1114705
Principal: D R Horton, Inc
Obligee: Jasper County

RESOLVED That the President or any Vice President, in conjunction with any Vice President, be and they hereby are authorized and empowered to appoint Attorneys-in-fact of the Company, in its name and as it acts, to execute and acknowledge for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, waivers of retention and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by such Attorneys-in-fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company in their own proper persons.

RESOLVED That any and all Powers of Attorney and Certified Copies of such Powers of Attorney and certification in respect thereto, granted and executed by the President or Vice President in conjunction with any Vice President of the Company, shall be binding on the Company to the same extent as if all signatures therein were manually affixed, even though one or more of any such signatures thereon may be facsimile. (Adopted October 7, 1981 - The Hanover Insurance Company; Adopted April 14, 1982 - Massachusetts Bay Insurance Company; Adopted September 7, 2001 - Citizens Insurance Company of America and affirmed by each Company on March 24, 2014)

IN WITNESS WHEREOF, THE HANOVER INSURANCE COMPANY, MASSACHUSETTS BAY INSURANCE COMPANY and CITIZENS INSURANCE COMPANY OF AMERICA have caused these presents to be sealed with their respective corporate seals, duly attested by two Vice Presidents, this 6th day of April, 2023



The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America

James H. Kawiecki
James H. Kawiecki, Vice President

The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America

Joellen M. Mendoza
Joellen M. Mendoza, Vice President

STATE OF CONNECTICUT)
COUNTY OF HARTFORD) ss.

On this 6th day of April 2023 before me came the above named Executive Vice President and Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, to me personally known to be the individuals and officers described herein, and acknowledged that the seals affixed to the preceding instrument are the corporate seals of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, respectively, and that the said corporate seals and their signatures as officers were duly affixed and subscribed to said instrument by the authority and direction of said Corporations.

Wendy Latoumes
Notary Public, State of Connecticut
My Commission Expires July 31, 2025

Wendy Latoumes
Wendy Latoumes, Notary Public
My commission expires July 31, 2025

I, the undersigned Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, hereby certify that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Powers of Attorney are still in force and effect.

GIVEN under my hand and the seals of said Companies, at Worcester, Massachusetts, this 16th day of February, 2026

CERTIFIED COPY

The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America
John Rowdier
John Rowdier, Vice President



**PERFORMANCE BOND
(Subdivision Improvements)**

**Bond
3528076**

No.

WHEREAS, K & R Development, LLC (herein designated as "Principal"), and Jasper County South Carolina (herein designated as "Obligee ") have entered into an agreement whereby Principal agrees to install and complete certain designated Subdivision Improvements, which said agreement, dated 22nd Day of January, 2026 and identified as project Incomplete site improvements to include Phase 2 - Bailey Park at 1506 Old Bailey Road Ridgeland, SC, and,

WHEREAS, said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

NOW, THEREFORE, we, the Principal and SureTec Insurance Company, a Corporation, as surety, are held and firmly bound unto the Obligee in the penal sum of One Hundred Twenty Thousand and no/100 Dollars (\$120,000.00) lawful money of the United States, for the payment of which sum well and truly be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Obligee, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. This bond will remain in effect until the Principal has performed all obligations required by Obligee in connection with said improvements.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications, however, the Surety shall not be liable for a greater sum than the amount specified in the bond.

In witness whereof, this instrument has been duly executed by the Principal and surety above named, on 17th Day of February, 2026.

Principal: K & R Development, LLC

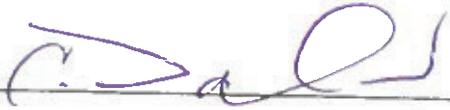
By: Jennifer R. Tosky Signature

Name: Jennifer R. Tosky

Title: Managing Member



SureTech Insurance Company

By: 
Signature

**Name: C. Wayne McCarthy
Attorney-in-Fact**

The Rider(s) Attached Hereto Is/Are Incorporated in the Bond and Contains Important Coverage Information and Limitations





**THIS DECLARATION IS SUBJECT TO BINDING ARBITRATION PURSUANT TO THE
SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET. SEQ., CODE
OF LAWS OF SOUTH CAROLINA, AS AMENDED**

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
OLD BAILEY**

NOTICE:

THIS DECLARATION IMPOSES ASSESSMENTS CONSTITUTING A LIEN ON EACH LOT. PLEASE CONTACT THE ASSOCIATION TO DETERMINE THE STATUS OF A PARTICULAR LOT WITH REGARD TO PAYMENT OF ASSESSMENTS. THIS DECLARATION MAY HAVE BEEN MODIFIED, AMENDED OR SUPPLEMENTED SINCE ITS RECORDING. THE DECLARANT OR ASSOCIATION MAY HAVE CHANGED THE INITIAL RULES AND REGULATIONS SINCE THE RECORDING OF THIS DECLARATION.

TABLE OF CONTENTS

Article 1	Creation of the Community	2
1.1.	Purpose and Intent.....	2
1.2.	Binding Effect.....	2
1.3.	Governing Documents.	2
Article 2	Concepts and Definitions	3
Article 3	Use, Occupancy, and Transfer	6
3.1.	General.....	6
3.2.	Restrictions on Use.....	6
3.3.	Restrictions on Occupancy.....	6
3.4.	Restrictions on Transfer; Changes in Ownership of Lots.	6
Article 4	Conduct	6
4.1.	Framework for Regulation.....	6
4.2.	Regulation Making Authority.....	6
4.3.	Limitations on Rules and Regulations.....	7
4.4.	Owners' Acknowledgment and Notice to Purchasers.....	9
Article 5	Architecture and Landscaping	9
5.1.	General.....	9
5.2.	Architectural Review.....	9
5.3.	Guidelines and Procedures.....	10
5.4.	No Waiver of Future Approvals.....	12
5.5.	Variances.....	12
5.6.	Limitation of Liability.....	12
5.7.	Certificate of Compliance.....	13
5.8.	View Impairment.....	13
Article 6	Maintenance and Repair	13
6.1.	Maintenance of Lots.....	13
6.2.	Responsibility for Repair and Replacement.....	13
Article 7	Association and its Members	14
7.1.	Function of the Association.....	14
7.2.	Board of Directors.....	14
7.3.	Membership.....	14
Article 8	Association Powers and Responsibilities	16
8.1.	Acceptance and Control of the Association Property.....	16
8.2.	Maintenance of Area of Common Responsibility.....	16
8.3.	Insurance.....	17
8.4.	Repair and Reconstruction of the Association Property.....	19
8.5.	Compliance and Enforcement.....	20
8.6.	Implied Rights; Board Authority.....	21
8.7.	Indemnification of Officers, Directors, and Others.....	22
8.8.	Security.....	22
8.9.	Provision of Services.....	22
8.10.	Relations with Other Properties.....	23
Article 9	Association Finances	23
9.1.	Base Assessments; Allocation of Common Expenses and Budgeting.....	23
9.2.	Special Assessments.....	24
9.3.	Specific Assessments.....	24
9.4.	Authority To Assess Owners; Time of Payment.....	24
9.5.	Personal Obligation for Assessments.....	24
9.6.	Budget Deficits During Declarant Control.....	25

9.7.	Statement of Account.....	25
9.8.	Lien for Assessments.	26
9.9.	Exempt Property.	26
9.10.	Capitalization of the Association.	26
9.11.	Transfer Fee on Resales.	26
Article 10	Expansion of the Community.....	27
10.1.	Expansion by Declarant.	27
10.2.	Expansion by the Association.	27
10.3.	Withdrawal of Property.....	27
10.4.	Additional Covenants and Easements.....	27
10.5.	Effect of Filing Supplemental Declaration.	27
10.6.	Amendment.....	28
Article 11	Development Rights and Protections	28
11.1.	Reasonable Rights To Develop.....	28
11.2.	Marketing and Sales Activities.	28
11.3.	Construction of Improvements.....	28
11.4.	Right To Approve Additional Covenants.	29
11.5.	Right To Transfer or Assign Declarant Rights.	29
11.6.	Exclusive Rights To Use Name of the Community.	29
11.7.	Right to Approve Changes in Community Standards.....	29
11.8.	Easement to Inspect and Right to Correct.....	29
Article 12	Easements.....	29
12.1.	Easements in Common Area.....	29
12.2.	Easements of Encroachment.	30
12.3.	Easements To Serve Additional Property.	30
12.4.	Easements for Maintenance, Emergency, and Enforcement.....	30
12.5.	Easements for Pond and Wetland Maintenance and Flood Water.	30
12.6.	Easements for Irrigation System.	31
12.7.	Easement for Utilities and Community Systems.	31
Article 13	Dispute Resolution and Limitation on Litigation	31
13.1.	Consensus for Association Litigation.	31
13.2.	Alternative Method for Resolving Disputes.	32
13.3.	Claims.	32
13.4.	Mandatory Procedures.	32
13.5.	Allocation of Costs of Resolving Claims.....	34
13.6.	Enforcement of Resolution.	34
Article 14	Mortgagee Provisions.....	34
14.1.	General.....	34
14.2.	Notices of Action.	34
14.3.	Other Provisions for First Lien Holders.....	34
14.4.	No Priority.	35
14.5.	Notice to the Association.	35
14.6.	Failure of Mortgagee To Respond.	35
14.7.	Construction of Article 14.....	35
Article 15	Changes in Common Area	35
15.1.	Condemnation.	35
15.2.	Transfer, Partition, or Encumbrance of Common Area.	36
Article 16	Miscellaneous.....	36
16.1.	Control of Declarant.....	36
16.2.	HUD/VA Approval.....	37
16.3.	Actions Requiring Owner Approval.	37

16.4.	Amendment.....	37
16.5.	Validity and Effective Date of Amendment.....	38
16.6.	Duration.....	38
16.7.	Perpetuities.....	38
16.8.	Exhibits.....	38

TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Subject Matter</u>
"A"	Description of Submitted Property
"B"	Description of Additional Property
"C"	Initial Rules and Regulations
"D"	Bylaws of Old Bailey Community Association, Inc.
"E"	Rules of Arbitration

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
OLD BAILEY**

This **DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR OLD BAILEY** is made this ____ day of _____ 202__, by **K & R DEVELOPMENT, LLC**, a South Carolina limited liability company ("**Declarant**," as further defined in Article 2 of this Declaration), with an address of 254 Red Cedar Street, Bluffton, South Carolina 29909.

DECLARANT EXPRESSLY RESERVES THE RIGHT TO UNILATERALLY AMEND OR RESTATE THIS DECLARATION WITHOUT THE CONSENT OF ANY OTHER OWNER, THEIR RESPECTIVE MORTGAGEE(S) OR THE ASSOCIATION DURING THE DECLARANT CONTROL PERIOD (AS DEFINED HEREIN). ANY SUCH AMENDED OR RESTATED DECLARATION MAY CONTAIN ADDITIONAL RESTRICTIONS OR OBLIGATIONS AFFECTING THE USE OF ANY AREA OF COMMON RESPONSIBILITY, LOT, OR ANY OTHER PORTION OF THE COMMUNITY (AS THOSE TERMS ARE DEFINED HEREIN) AND MAY ALSO AFFECT AN OWNER'S OBLIGATIONS AS A MEMBER OF THE ASSOCIATION. ADDITIONALLY, CERTAIN RIGHTS OF DECLARANT, INCLUDING THE RIGHT TO APPROVE, OR TO WITHHOLD APPROVAL OF, CERTAIN ACTIONS MAY CONTINUE AFTER THE EXPIRATION OF THE DECLARANT CONTROL PERIOD INCLUDING, BUT NOT LIMITED TO, THE RIGHT OF RE-ESTABLISHING ITS CLASS "B" MEMBERSHIP IF AND WHEN IT REACQUIRES ANY OF THE COMMUNITY OR ANNEXES ANY ADDITIONAL LAND TO THE COMMUNITY. BY THE RECORDING OF A DEED OR THE ACCEPTANCE OF TITLE TO ANY LOT OR ANY PORTION OF THE COMMUNITY SUBJECT TO THIS DECLARATION, OR ANY INTEREST THEREIN, THE PERSON TO WHOM SUCH PROPERTY IS CONVEYED, AND THEIR HEIRS, SUCCESSORS, LEGAL REPRESENTATIVES, ADMINISTRATORS, LESSEES, ASSIGNS AND MORTGAGEES SHALL BE DEEMED TO HAVE AGREED TO BE BOUND BY THIS DECLARATION AND OTHER GOVERNING DOCUMENTS OF THE ASSOCIATION, AND EXPRESSLY ACKNOWLEDGE AND AGREE TO DECLARANT'S RIGHTS, INCLUDING, WITHOUT LIMITATION, THE RIGHT OF DECLARANT TO UNILATERALLY AMEND THIS DECLARATION DURING THE DECLARANT CONTROL PERIOD, TO ADD PROPERTY TO THIS DECLARATION DURING THE DECLARANT CONTROL PERIOD AND TO EXERCISE OTHER RIGHTS SPECIFICALLY RESERVED OR GRANTED TO DECLARANT PURSUANT TO THIS DECLARATION AND OTHER GOVERNING DOCUMENTS.

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference;

WHEREAS, Declarant intends to establish the Community as a residential planned community to be known as "Old Bailey" (the "**Community**," as further defined in Article 2 of this Declaration), designate the Common Area (as defined in Article 2 of this Declaration) within the Community as Common Area for the exclusive use of the Lots (as defined in Article 2 of this Declaration), and impose on the Community additional covenants, conditions and restrictions to protect and to promote the beneficial ownership, use and enjoyment of all Lots located within the Community;

WHEREAS, Declarant desires to provide a flexible and reasonable procedure for the overall development of the property known as "Old Bailey" and the interrelationships of the component residential associations, and to establish a method for the administration, maintenance, preservation, use and enjoyment for such property as is not or may hereafter be submitted to this Declaration. The Association (as defined in Article 2 of this Declaration) hereby created may perform educational, recreational, charitable and other social welfare activities; and

NOW, THEREFORE, Declarant hereby declares as follows:

ARTICLE 1 CREATION OF THE COMMUNITY

1.1 Purpose and Intent. Declarant, as the owner of the real property described in Exhibit "A," intends by Recording this Declaration to create a general plan of development for the residential community known as "Old Bailey" located in Jasper County, South Carolina. This Declaration provides a flexible and reasonable procedure for the future expansion of the Community to include the Additional Property, as Declarant deems appropriate, and provides for the overall development, administration, maintenance, and preservation of the real property now and hereafter comprising the Community. An integral part of the development plan is the creation of Old Bailey Community Association, Inc., a South Carolina nonprofit corporation comprised of all Owners in the Community, to own, operate, or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents.

1.2 Binding Effect. The Community and any Additional Property which is made a part of the Community in the future by Recording one or more Supplemental Declarations, shall be owned, conveyed, and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Community, their heirs, successors, administrators, and assigns.

BY THE RECORDING OF A DEED OR THE ACCEPTANCE OF TITLE TO ANY LOT SUBJECT TO THIS DECLARATION, THE PERSON OR ENTITY TO WHOM SUCH LOT IS CONVEYED, AND THEIR HEIRS, SUCCESSORS, LEGAL REPRESENTATIVES, ADMINISTRATORS, LESSEES, ASSIGNS AND MORTGAGEES SHALL BE DEEMED TO HAVE AGREED TO BE BOUND BY THIS DECLARATION AND THE BYLAWS OF THE ASSOCIATION.

1.3 Governing Documents. The Governing Documents create a general plan of the development for the Community. Additional restrictions or provisions which are more restrictive than the provisions of this Declaration may be imposed on any portion of the Community, in which case, the more restrictive provisions will be controlling. However, during the Declarant Control Period, no Person shall record any additional covenants, conditions, or restrictions affecting any portion of the Community without Declarant's written consent. Thereafter, Owners representing at least sixty-seven percent (67%) of the total votes in the Association must consent. Any instrument Recorded without the required consent is void and of no force and effect.

All provisions of the Governing Documents shall apply to all Owners and to all occupants of their Lots, as well as their respective tenants, guests, and invitees. Any lease on a Lot shall provide that the lessee and all occupants of the leased Lot shall be bound by the terms of the Governing Documents.

If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

ARTICLE 2 CONCEPTS AND DEFINITIONS

The terms used in the Governing Documents generally shall be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

“Additional Property”: All real property, together with the improvements thereon, whether or not owned by Declarant, which is made subject to this Declaration as provided in Article 10 hereof.

“Architectural Guidelines”: The architectural, design, and construction guidelines and review procedures adopted pursuant to Article 5, as may be amended from time to time.

“Architectural Review Committee” or **“ARC”**: The committee established to exercise the architectural review powers set forth in Article 5, which shall be the Board of Directors unless by resolution the Board appoints a separate Architectural Review Committee. Notwithstanding the foregoing, during the Declarant Control Period, Declarant shall have the right to appoint all members of the Architectural Review Committee.

“Area of Common Responsibility”: The Common Area, together with such other areas, if any, for which the Association has or expressly assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contracts, or agreements.

“Articles of Incorporation” or **“Articles”**: The Articles of Incorporation for Old Bailey Community Association, Inc., a South Carolina nonprofit corporation, as the same may be amended.

“Assessments”: This term means Base Assessments, Special Assessments, or Specific Assessments, and any combination thereof, as the context requires.

“Association”: Old Bailey Community Association, Inc., a South Carolina nonprofit corporation, and its successors or assigns.

“Base Assessment”: Assessments levied on all Lots subject to assessment under Article 9 to fund Common Expenses, as determined in accordance with Section 9.1.

“Board of Directors” or **“Board”**: The body responsible for administering the Association, selected as provided in the Bylaws and serving the same role as the board of directors under South Carolina corporate law.

“Builder”: Any Person approved by Declarant who purchases one (1) or more Lots for the purpose of constructing improvements for later sale to consumers in the ordinary course of the Person’s business.

“Bylaws”: The Bylaws of Old Bailey Community Association, Inc., attached hereto as Exhibit “D,” as the same may be amended.

“Common Area”: All real and personal property, including easements, located within the Community, which the Association owns, leases, or otherwise holds possessory or use rights in for the Owners’ common use and enjoyment.

“Common Expenses”: The actual and estimated expenses the Association incurs or expects to incur for all Owners’ general benefit, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses shall not include any expenses

incurred during the Declarant Control Period for initial development or other original construction costs unless approved by Members representing a majority of the total votes of the Association, excluding votes held by Declarant.

“Community”: The real property described in Exhibit “A,” together with any improvements thereon, and such Additional Property as is subjected to this Declaration in accordance with Article 10 of this Declaration.

“Community-Wide Standard”: The standard of conduct, maintenance, or other activity generally prevailing in the Community, or the minimum standards established pursuant to the Architectural Guidelines, Rules and Regulations, and Board resolutions, whichever is the highest standard. Declarant shall establish initially such standard, and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within the Community change.

“Declarant”: K & R Development, LLC, a South Carolina limited liability company, or any successor or assign who takes title to any portion of the real property described in Exhibit “A” or Exhibit “B” for the purpose of development or sale and who is designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant, or pursuant to a final order of a court of competent jurisdiction.

“Declarant Control Period”: The period of time during which Declarant is entitled to appoint a majority of the members of the Board as provided in the Bylaws. The Declarant shall have the right to appoint and remove the members of the Board commencing upon the Recording of this Declaration until the first of the following occurs:

(a) One hundred twenty (120) days after the date on which ninety-nine (99%) percent of the Lots permitted for development within the Community have certificates of occupancy issued thereon and have been conveyed to Persons who have not purchased such Lots for the purpose of construction of a residence and resale of such Lot and residence; or

(b) twenty-five (25) years after this Declaration is Recorded; or

(c) upon Declarant’s surrender in writing of the authority to appoint and remove directors and officers of the Association

Notwithstanding its right to appoint and remove officers and directors of the Association, Declarant reserves the right to approve or disapprove specified actions of the Association as provided in this Declaration and the Bylaws.

“Declaration”: This Declaration of Covenants, Conditions, Restrictions and Easements for Old Bailey as may be amended or supplemented from time to time.

“Governing Documents”: Collectively, this Declaration, any applicable Supplemental Declaration, the Articles, the Bylaws, the Architectural Guidelines and the Rules and Regulations, as each may be amended from time to time.

“Limited Common Area”: A portion of the Common Area reserved for the exclusive use of one or more, but less than all, of certain Lots.

“Lot”: A portion of the Community, whether improved or unimproved, depicted as a separately

identified lot or parcel on a recorded subdivision plat, which may be independently owned and is intended for development, use, and occupancy as an attached or detached single-family residence. The term shall refer to the land, if any, which is part of the Lot as well as any improvements thereon.

“Member”: A Person subject to membership in the Association pursuant to Section 7.3.

“Mortgage”: A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot. “Mortgagee” shall refer to a beneficiary or holder of a Mortgage. A “First Mortgage” shall be a Recorded Mortgage having first priority over all other Mortgages encumbering a Lot. “First Mortgagee” shall refer to a beneficiary or holder of a First Mortgage.

“Official Records”: The official land records of the Register of Deeds of Jasper County, South Carolina.

“Owner”: One or more Persons who hold the record fee simple title to any Lot but excluding in all cases any party holding an interest merely as security for the performance of an obligation; provided, however, if a Lot is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) shall be considered the Owner.

“Permittees”: shall mean and refer to the respective family, agents, customers, invitees, licensees, employees, servants, contractors, tenants and tenant’s agents, customers, invitees, licensees, employees, servants and contractors of each Owner, subject to applicable Rules and Regulations.

“Person”: An individual, corporation, limited liability company, partnership, trustee, or any other legal entity.

“Record,” “Recording,” or “Recorded”: The appropriate recordation or filing of any document in the Official Records or such other place which is designated as the official location for recording deeds and similar documents affecting title to real estate. The date of Recording shall refer to that time at which a document, map, or plat is Recorded.

“Reviewer”: For purposes of Article 5, the Person having jurisdiction in a particular case shall be referred to as the “Reviewer.”

“Rules and Regulations”: The initial rules and regulations of the Association, as set forth in Exhibit “C,” which may be expanded, modified, repealed or otherwise amended in accordance with the procedures set forth in the Governing Documents.

“Special Assessment”: Assessments levied in accordance with Section 9.2.

“Specific Assessment”: Assessments levied in accordance with Section 9.3.

“Supplemental Declaration”: A Recorded instrument which subjects Additional Property to this Declaration pursuant to Article 10 and/or imposes additional restrictions and obligations on the land described in such instrument.

“Wetlands”: Any portion of the Community which may contain Wetlands, wetland buffers, submerged lands or other critical areas and on which activities may be subject to the jurisdiction of the U.S. Army Corps of Engineers and/or South Carolina Department of Natural Resources. Owners whose Lots contain any Wetlands shall comply with any applicable governmental regulations, restrictions, agreements, ordinances, regulations or policies of such governmental authorities (collectively, the “Wetlands”

Restrictions”) and shall be responsible for unapproved activities occurring on any Wetlands located on or within their Lots.

ARTICLE 3 USE, OCCUPANCY, AND TRANSFER

3.1 **General.** Every Lot in the Community shall be subject to the use restrictions and rules as set forth in this Declaration. Each Owner, by acceptance of a deed or other instrument granting an interest in any Lot, acknowledges and understands that such Lot is subject to rules and restrictions on use, occupancy and transfer as set forth herein and in the Rules and Regulations attached hereto as **Exhibit “C,”** as they may be expanded, modified, repealed or otherwise amended in accordance with the procedures set forth the Governing Documents. The provisions of this Article 3 shall not apply to any activity conducted by Declarant, or any Builder, with respect to its sale of the Community or its use or sale of any Lots which it owns within the Community.

3.2 **Restrictions on Use.** The Community shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center, model homes, a sales office for any real estate broker retained by Declarant to assist in the sale of real property within the Community, an office for any community manager retained by the Association, or business offices for Declarant and/or the Association) consistent with the Governing Documents. Notwithstanding the above, home business use ancillary to the primary residential use of a Lot is permitted subject to the Rules and Regulations.

3.3 **Restrictions on Occupancy.** All occupants of a single Lot shall be a member of a single housekeeping unit. The number of occupants in each Lot shall be limited to a reasonable number based on the Lot’s facilities and size and its fair use of the Common Area, and any requirements of applicable law. All provisions of the Governing Documents shall apply to all occupants, guests, and invitees of any Lot. Every Owner shall cause all Permittees of his, her or its Lot to comply with the Governing Documents and shall be responsible for all violations and losses to the Area of Common Responsibility caused by such Persons, notwithstanding the fact that such Persons also are fully liable and may be sanctioned for any violation.

3.4 **Restrictions on Transfer; Changes in Ownership of Lots.** Any Owner desiring to sell or otherwise transfer title to Owner’s Lot shall give the Board at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the Board receives such notice, notwithstanding the transfer of title.

ARTICLE 4 CONDUCT

4.1 **Framework for Regulation.** The Governing Documents establish, as part of the general plan of development for the Community, a framework of affirmative and negative covenants, easements, and restrictions to govern the Community. Within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technology which inevitably will affect the Community, its Owners, and residents. Toward that end, this Article 4 establishes procedures for modifying and expanding the initial Rules and Regulations.

4.2 **Regulation Making Authority.**

(a) **Board Authority.** Subject to the terms of this Article 4 and the Board’s duty to exercise

business judgment and reasonableness on behalf of the Association and its Members, the Board may adopt, repeal, and modify regulations governing matters of conduct and aesthetics and the activities of Members, residents, and guests within the Community, as defined by the Rules and Regulations. The Board shall send notice by mail to all Members concerning any such proposed action at least five (5) business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

(b) Declarant's Authority. Notwithstanding the above provision, during the Declarant Control Period, Declarant shall have the unilateral right to repeal, modify or expand any of the initial Rules and Regulations without prior notice to the Board or to Members. However, any such amendment shall not materially adversely affect the substantive rights of any Owners, nor shall it adversely affect title to any Lot without the consent of the affected Owner(s).

(c) Members' Authority. Alternatively, Members representing more than sixty-seven percent (67%) of the total votes in the Association, at an Association meeting duly called for such purpose, may vote to adopt regulations which modify, cancel, limit, create exceptions to, or expand the Rules and Regulations then in effect. Notwithstanding anything contained herein to the contrary, during the Declarant Control Period, any such action by the Members shall not be valid unless and until Declarant provides its written approval which approval or denial shall be granted in Declarant's sole and exclusive discretion.

(d) Notice; Opportunity To Disapprove. Notice of any Board resolution or Member action adopting, repealing, or modifying regulations shall be sent to all Members at least thirty (30) days prior to the effective date of the same. Subject to Declarant's disapproval rights under the Bylaws, the resolution or Member action shall become effective on the date specified in the notice unless (i) Members petition for a special meeting, in accordance with the Bylaws, to reconsider such resolution, and (ii) the resolution is disapproved at the meeting by Members representing more than sixty-seven percent (67%) of the total votes in the Association.

(e) Conflicts. Nothing in this Article 4 shall authorize the Board or the Members to modify, repeal, or expand the Architectural Guidelines or other provisions of this Declaration. In the event of a conflict between the Architectural Guidelines and the Rules and Regulations, the Architectural Guidelines shall control.

(f) Common Area Administrative Rules. The procedures required under this Section 4.2 shall not apply to the enactment and enforcement of Board resolutions or administrative rules and regulations governing use of the Common Area unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative rules and regulations shall include, but not be limited to, hours of operation of a recreational facility and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times. The Board shall exercise business judgment and act in accordance with the business judgment rule, as described in the Bylaws, in the enactment, amendment, and enforcement of such administrative rules and regulations.

4.3 Limitations on Rules and Regulations. Except as may be contained in this Declaration either initially or by amendment, all Rules and Regulations shall comply with the following provisions:

(a) Signs and Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Lots of the kinds normally displayed in single-family residential communities shall not be abridged, except that the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling. No Owner may post or display any sign, billboard, banner or item of similar nature so as to be visible outside of any dwelling without the prior written approval of the Architectural Review Committee, including, but not limited to, a "for sale," "for

rent,” or “garage sale” sign. Owners may be required to use designated signage for the offering of Lots for sale or lease, and to purchase or rent such signage from vendors approved by the Board. No rules shall regulate the content of political signs; however, rules may regulate the time, place, and manner of posting such signs (including design criteria) and limit to a reasonable number the number of signs that may be posted. No sign shall be larger than 18” x 24” and any Owner posting an approved sign shall be responsible for removing such sign in a timely manner and shall be subject to enforcement actions for failing to do so. Notwithstanding anything contained herein to the contrary, the Association shall have the right, but not the obligation, to exercise self-help and to enter onto a Lot (but not the dwelling located thereon) in a non-emergency situation, without notice and opportunity for hearing prior thereto for the purpose of removing any sign, billboard, banner or other item of similar nature posted or displayed in violation of this provision.

(b) Flags. Notwithstanding anything to the contrary in this Declaration, an Owner may display one (1) national flag of the United States not exceeding twelve (12) square feet in size on a flag holder located on each Lot. No flag shall be displayed in a manner inconsistent with any provision of the Freedom to Display the American Flag Act of 2005, or any other applicable legal requirements. No approval shall be required to display the flag of the United States of America and the current flag of the State of South Carolina on the Lot in accordance with the provisions of the U.S. Flag Code (36 US Code 10) and usual and customary practice. Free standing flag poles are prohibited. By taking title to a Lot, all Owners agree and acknowledge that the Board, on behalf of the Association, has a substantial interest in protecting the aesthetic appearance of the Community and therefore may adopt additional reasonable lawful restrictions pertaining to the time, place, or manner of displaying the flag of the United States.

(c) Household Composition. No rule established pursuant to this Article 4 shall interfere with the Owners’ freedom to determine the composition of their households. Section 3.3 shall govern restrictions on occupancy.

(d) Activities Within Dwellings. No rule established pursuant to this Article 4 shall interfere with the activities carried on within the confines of dwellings, except that the Association may restrict or prohibit any activities that create monetary costs for the Association or other Owners; that create a danger to the health or safety of others; that generate excessive noise, parking congestion, or traffic; that create unsightly conditions visible outside the dwelling; or that create an unreasonable source of annoyance.

(e) Mining and Drilling Prohibition. No oil, mineral, sand, natural gas or irrigation drilling, refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, and no derrick or other structure designed for use in boring, drilling or digging for oil, minerals, sand or natural gas shall be stored, erected, maintained or permitted on any Property within the Community.

(f) Allocation of Burdens and Benefits. The Association may change the Common Area available to any particular Members, may adopt generally applicable rules for use of Common Area, or may deny use privileges to individual Members if such Member is abusing the Common Area or violating the Governing Documents. This provision does not affect the right to increase the amount of Assessments as provided in Article 9.

(g) Alienation. No Rules or Regulations shall prohibit leasing, transfer of any Lot, or require consent of the Association or the Board for leasing or transfer of any Lot; however, the Association or the Board may require a minimum lease term of up to twelve (12) months and adopt Rules and Regulations relating to short-term leasing.

The leasing restrictions shall not apply to Lots subject to a mortgage which is insured or guaranteed by the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs, or where the provisions of this Section 4.3(g) are otherwise prohibited by law.

(h) Abridging Existing Rights. No rule shall require an Owner to dispose of personal property that was in or on a Lot prior to the adoption of such rule and which was in compliance with all rules previously in force. This dispensation shall apply only for the duration of such Owner's ownership of the Lot personally, and this right shall not run with title to any Lot.

(i) Reasonable Rights To Develop. No rule or action by the Association shall unreasonably impede Declarant's right to develop the Community in accordance with the rights reserved to Declarant in this Declaration.

The limitations in subsections (a) through (h) of this subsection shall limit only regulation making authority exercised under this Section 4.3; they shall not apply to amendments to this Declaration adopted in accordance with Section 16.4.

4.4 Owners' Acknowledgment and Notice to Purchasers. All Owners and prospective purchasers are given notice that use of their Lots and the Common Area is limited by the Rules and Regulations. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of Owner's Lot can be affected by this provision, that the Rules and Regulations may change from time to time, and that the current Rules and Regulations may not be set forth in a Recorded instrument. All purchasers of Lots are on notice that the Association may have adopted changes to the Rules and Regulations. The Association shall provide a copy of the current Rules and Regulations to any Member or Mortgagee upon request and payment of the reasonable cost of such copy.

ARTICLE 5 ARCHITECTURE AND LANDSCAPING

5.1 General. No structure or thing, including, but not limited to, fencing, shall be placed, erected, or installed upon any Lot and no improvements or other work (including staking, clearing, excavation, grading, and other site work, exterior alterations of existing improvements, or additional planting or removal of trees and other landscaping) shall take place on such Lot except pursuant to approval in compliance with the Governing Documents, including, without limitation, this Declaration (including this Article 5), the Architectural Guidelines, and the Rules and Regulations. Any improvements constructed on a Lot shall be designed by and built in accordance with the plans and specifications of a licensed architect unless otherwise approved by Declarant or its designee in its sole discretion.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS ARTICLE 5, THIS ARTICLE 5 SHALL NOT APPLY TO DECLARANT'S ACTIVITIES OR TO THE ASSOCIATION'S ACTIVITIES WITHIN OR OUTSIDE OF THE COMMUNITY UNTIL TEN (10) YEARS FOLLOWING THE EXPIRATION OR EARLIER TERMINATION OF THE DECLARANT CONTROL PERIOD, UNLESS EARLIER EXPRESSLY TERMINATED OR SURRENDERED BY WRITTEN INSTRUMENT EXECUTED AND RECORDED BY DECLARANT.

5.2 Architectural Review.

(a) By Declarant. Each Owner, by accepting a deed or other instrument conveying any Lot, acknowledges that, as the developer and owner of real estate in the vicinity of and within the Community, Declarant has a substantial interest in ensuring that improvements within the Community enhance Declarant's reputation and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that he or she shall not commence any activity within the scope of this Article 5 on Owner's Lot unless and until Declarant or its designee has given its prior written approval for such activity,

which approval may be granted or withheld in Declarant's or its designee's sole discretion.

In reviewing and acting upon any request for approval, Declarant, or its designee, shall act solely in Declarant's interest and shall owe no duty to any other Person. Declarant's rights reserved under this Article 5 shall continue during the Declarant Control Period, unless earlier terminated in a written instrument executed and Recorded by Declarant.

Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder. Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article 5 to any other Person or committee. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article 5, the jurisdiction of any other Person or committee shall be limited to such matters as are specifically delegated to it by Declarant.

(b) Architectural Review Committee. Upon delegation by Declarant or upon expiration or termination of Declarant's rights under this Article 5, the Association, acting through its Architectural Review Committee (the "**ARC**"), shall assume jurisdiction over architectural matters. The ARC shall consist of three (3) or five (5) Persons, but shall remain an odd number, each of whom shall serve and may be removed and replaced in the Board's discretion. Except with respect to members of the ARC appointed by Declarant during the Declarant Control Period, (i) the members of the ARC must be Owners, and (ii) no two (2) persons being co-Owners of any one (1) Lot may serve on the ARC at the same time. In the case of a Member which is not an individual, any officer, director, partner, member or manager of a limited liability company, or trust officer of such Member shall be eligible to serve as a member of the ARC, unless a written notice to the Association signed by such Member specifies otherwise; however, no Member may have more than one (1) such representative on the ARC at any one time, except in the case of ARC members appointed by Declarant. Owners not in good standing with The Association and whose dues, Assessments and fines are not paid current are not allowed to serve as a member of the ARC.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Association or Declarant's rights under this Article 5 terminate, The Association shall have no jurisdiction over architectural matters.

(c) Reviewer. For purposes of this Article 5, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer".

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals.

5.3 Guidelines and Procedures.

(a) Architectural Guidelines. Declarant may prepare Architectural Guidelines applicable to Lots which may contain general provisions applicable to all Lots as well as specific provisions which vary among the Lots according to location, use, or other factors. The Architectural Guidelines are intended to provide guidance to Owners regarding matters of particular concern to the Reviewer in considering applications hereunder. The Architectural Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Architectural Guidelines does not guarantee approval of any application.

Further, the Architectural Guidelines may be more restrictive than guidelines followed by Jasper County, South Carolina or as set forth in the International Builder's Code. Notwithstanding any other provision in this Declaration or the Architectural Guidelines, all residential structures constructed on any Lot within the Community must have a minimum building floor area of one thousand one hundred twenty (1,120) square feet of heated and cooled living space, excluding garages, porches, patios, and other unheated areas.

Declarant shall have sole and full authority to amend the Architectural Guidelines during the Declarant Control Period, notwithstanding a delegation of reviewing authority, unless Declarant also delegates the power to amend. Upon termination or delegation of Declarant's right to amend, the ARC shall have the authority to amend the Architectural Guidelines with the Board's consent. Any amendments to the Architectural Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Architectural Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Architectural Guidelines less restrictive. Notwithstanding anything to the contrary stated in this Declaration, any amendment to the Architectural Guidelines shall require the approval of the Builders owning Lots within the Community (but only to the extent that such amendment to the Architectural Guidelines materially and adversely affects a Lot owned by Builder), provided that such approval shall not be unreasonably withheld, conditioned or delayed.

The Association shall maintain a copy of the Architectural Guidelines, as they may exist from time to time, and shall make them available to Owners for inspection and copying upon reasonable notice during The Association's business hours. In Declarant's discretion, such Architectural Guidelines may be Recorded, in which event the Recorded version, as it may be amended, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

(b) Procedures. Except as the Architectural Guidelines otherwise specifically provide, no activity described in Section 5.1 shall commence on any Lot until an application for approval has been submitted to and approved by the Reviewer. Such application shall include plans and specifications showing site layout, approved plot plan, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. For all residential structures, the application must include documentation demonstrating that the proposed structure meets the minimum building floor area requirement of one thousand one hundred twenty (1,120) square feet of heated and cooled living space as set forth in Section 5.3(a). The Architectural Guidelines and the Reviewer may require the submission of such additional information as deemed necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based solely on aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability or attractiveness of particular improvements. Subject to Declarant's veto power described below, the Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment. Such determinations shall not be subject to review so long as they are made in good faith and in accordance with the procedures described in this Article 5.

The Reviewer shall make a determination on each application within sixty (60) days after receipt of a completed application and all required information. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application; or (iv) request further or additional information. The Reviewer may, but shall not be obligated to, specify the reasons for any objections or offer suggestions for curing any objections.

Until expiration of Declarant's rights under this Article 5, the ARC shall notify Declarant in writing within three (3) business days after the ARC has approved an application. The notice shall be accompanied by a copy of the application and any additional information which Declarant may require. Declarant shall have ten (10) days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC and the applicant.

In any event, the Reviewer shall notify the applicant in writing of a final determination within sixty (60) days after its receipt of a completed application and all required information. In the event that the Reviewer fails to respond within such sixty (60) day period, applicant shall be required to serve notice upon Reviewer that the final determination has not been issued. In such case, Reviewer shall have ten (10) days from Reviewer's receipt of such notice to notify applicant of a final determination regarding the application. In the event that the Reviewer fails to respond within such ten (10) day period, approval shall be deemed to be given, subject to Declarant's veto right. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Architectural Guidelines unless the Reviewer has granted a variance pursuant to Section 5.5.

Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U.S. Postal Service or sent via email to the email address provided by the Owner. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

If construction does not commence on a project for which plans have been approved within six (6) months after the date of approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to reapply for approval before commencing construction of any proposed improvements. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, Declarant, or any aggrieved Owner. The provisions of this Section 5.3 shall not apply to Declarant during the Declarant Control Period.

The Reviewer may by resolution exempt certain activities from the application and approval requirements of this Article 5, provided such activities are undertaken in strict compliance with the requirements of such resolution.

5.4. No Waiver of Future Approvals. Each Owner acknowledges that the Persons reviewing applications under this Article 5 will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans, or in connection with any other matter requiring approval, shall not constitute a binding precedent in any other matter or waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

5.5. Variations. The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted Rules and Regulations. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section 5.5, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

5.6. Limitation of Liability. The standards and procedures established by this Article 5 are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Community; they do not create any duty to any Person. Review and approval of any application pursuant to this Article 5 may be based on aesthetic considerations only. The Reviewer shall not bear any responsibility for ensuring (a) the structural integrity or soundness of approved construction or modifications; (b) compliance with building codes and other governmental requirements; (c) that Lots are of comparable quality, value, size, or of similar design, aesthetically pleasing, or otherwise acceptable to neighboring property owners; (d) that views from any other Lots or the Area of Common Responsibility are protected; or (e) that no defects exist in approved construction.

Declarant, The Association, the Board, any committee, or any member of any of the foregoing shall not be held liable for soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the actions, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents; or any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, The Association shall defend and indemnify the Board, the ARC, and any members thereof as provided in Section 8.7.

5.7. Certificate of Compliance. Any Owner may request that the Reviewer issue a certificate of architectural compliance certifying that such Owner's Lot has no known violations of this Article 5 or the Architectural Guidelines. The Association shall either grant or deny such request within thirty (30) days after receipt of a complete written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop The Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

5.8. View Impairment. Neither Declarant nor the Association guarantee or represent that any view over and across any portion of the Community or any adjacent property will be preserved without impairment. Any additions or changes, whether occurring in the course of developing or maintaining the Community, may diminish or obstruct any view from Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

ARTICLE 6 MAINTENANCE AND REPAIR

6.1. Maintenance of Lots. The maintenance of all Lots shall be done in accordance with the Governing Documents applicable to such Lot. Each Owner shall maintain Owner's Lot and all landscaping, irrigation systems, and other improvements comprising the Lot in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants unless the Association assumes such maintenance responsibility pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Lot.

Except as may be provided in a Supplemental Declaration, each Owner shall also be responsible for maintaining and irrigating the landscaping within that portion of any adjacent Common Area or public right-of-way lying between the Lot boundary and any wall, fence, or curb located on the Common Area or right-of-way within ten (10) feet of the Lot boundary; however, there shall be no right to remove trees, shrubs, or similar vegetation from this area without prior approval pursuant to Article 5 of this Declaration.

6.2. Responsibility for Repair and Replacement. Unless the Governing Documents or other instruments creating and assigning maintenance responsibility specifically provide otherwise, responsibility for maintenance shall include responsibility for repair and replacement as necessary to maintain the

Community to a level consistent with the Community-Wide Standard.

By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on Owner's Lot, less a reasonable deductible. If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners (but nothing herein shall be deemed to impose or imply any obligation upon the Association to obtain such insurance coverage), the premiums for such insurance shall be levied as a Specific Assessment against the benefited Lot and the Owner pursuant to Section 9.3.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct such structures in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 5. Alternatively, the Owner shall clear the damaged portions of the Lot and maintain the Lot in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

ARTICLE 7 ASSOCIATION AND ITS MEMBERS

7.1. Function of the Association. The Association is the entity responsible for management, maintenance, operation, and control of the Area of Common Responsibility. In addition, the Association is the primary entity responsible for enforcing the Governing Documents. Furthermore, the Association shall perform its functions in accordance with the Governing Documents and South Carolina law.

7.2. Board of Directors. The Board shall govern the Association as more particularly described in the Bylaws. Except as to matters specifically requiring Members' approval, as set forth in the Governing Documents, the Board may exercise all rights and powers granted to the Association without membership approval.

7.3. Membership.

(a) Qualification. Every Owner, including Declarant, shall be a Member of the Association. There shall be only one (1) membership per Lot. If a Lot is owned by more than one (1) Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 7.3(b) and in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners under this Declaration and the Governing Documents. The membership rights of an Owner that is not an individual may be exercised by any officer, director, partner, member, manager of a limited liability company, or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

(b) Voting Rights. Voting rights of the Members shall be appurtenant to the ownership of the Lots. There shall be two (2) classes of Members with respect to voting which are as follows:

(i) Class "A" Members. Class "A" Members shall be all Owners, except the Class "B" Member. As to all matters with respect to which Members are given the right to vote under the Governing Documents, each Member shall be entitled to one (1) vote for each Lot he or she owns. No vote shall be exercised for any property that is exempt from assessment under Section 9.9. When more than one (1) Person holds such interest or interests in any Lot, the entire vote attributable to such Lot shall be exercised by one (1) individual who is duly authorized in writing by all of the Owners of that Lot. In no event shall more than one (1) vote or a partial vote be cast with respect to any such Lot. When more than one (1) person holds such an interest or interests in

a Lot, it shall be the responsibility of those Owners to provide Declarant or the Association with written notification, with the signatures of all of those persons owning an interest in the Lot affixed, of the name and mailing address of that Person authorized to receive notification from the Association and to cast said vote. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it. Owners not in good standing with the Association and whose dues, Assessments and any fines are not paid current are not allowed to maintain voting rights. At the time a subdivision plat is Recorded in the Official Records for any of the real property described in Exhibit "A" or any other real property which is made subject to this Declaration pursuant to Section 10.1, the Owner of the Lots shown on such plat(s) shall have voting rights under this subsection (ii) of all Lots shown on such plat(s) which are owned by such Owner. Class "A" Membership shall be mandatory for all Owners except Declarant and may not be separated from ownership of any Lot.

(ii) Class "B" Member. The sole "Class "B" Member" shall be the Declarant. At the time a subdivision plat is Recorded in the Official Records for any of the real property described in Exhibit "A" or any other real property which is made subject to this Declaration pursuant to Section 10.1, Declarant shall have voting rights under this Section 7.3(b) of all Lots shown on such plat(s) which are owned by Declarant. As to all matters with respect to which Members are given the right to vote under the Governing Documents, Declarant shall be entitled to ten (10) votes per Lot owned and, in addition, shall be entitled to appoint the members of the Board until termination of the Class "B" Membership. Class "B" Membership shall end and Class "C" Membership shall automatically begin when:

(A) all of the following have occurred: (1) one hundred percent (100%) of the Lots in the Community have certificates of occupancy issued thereon and have been conveyed to Owners other than a Builder holding title for purposes of development and sale, (2) Declarant no longer owns any portion of the; or

(B) A date selected by Declarant as evidenced by a Recorded instrument, but not later than twenty-five (25) years after the Recording of this Declaration.

Notwithstanding the foregoing terms of Section 7.3(b)(ii)(A) and 7.3(b)(ii)(B) above, Declarant reserves the right to reinstate the Class "B" Membership upon reacquiring of any portion of the Community or annexation of Additional Property in accordance with Section 10.1. In addition to any and all rights granted to it in this Declaration, Declarant shall enjoy all of the rights granted to the Class "C" Member.

(iii) Class "C" Member. Upon termination of the Class "B" Membership, Declarant shall simultaneously become the sole "Class "C" Member". The Class "C" Member shall have no voting rights and no assessment obligations. The Class "C" Member shall enjoy certain limited rights under this Declaration, the Bylaws, and the Rules and Regulations, including without limitation the right to: (i) obtain access to, and electronic and/or paper copies of, the Association's books and records, including financial and membership data; (ii) exercise Declarant's enforcement powers pursuant to Section 16.1; and (iii) call special meetings of the Association on any topic or issue it sees fit in its sole discretion, although the Class "C" Member would not be entitled to vote at said meeting. Class "C" Membership shall continue after the termination of the Class "B" Membership and shall only terminate at the voluntary discretion of Declarant, although there is no requirement that it be terminated.

(c) Transfer of Membership. Membership in the Association is appurtenant to Ownership (within the respective in which any such Lot is located, if applicable) and shall not be assigned, transferred,

pledged, hypothecated, conveyed, or alienated in any way except upon a transfer of title to such Lot, and then only to the transferee. Any prohibited transfer of an Association membership shall be void and of no force or effect. Any transfer of title or interest to a Lot shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner. Prior to any transfer of title to such a Lot, the transferring Owner shall give seven (7) days prior written notice to the Board of such transfer, which shall include the name and address of the acquiring Owner and the date of transfer.

ARTICLE 8 ASSOCIATION POWERS AND RESPONSIBILITIES

8.1. Acceptance and Control of the Association Property.

(a) Association may acquire, hold, and dispose of tangible and intangible personal property and real property, subject to the provisions. Declarant shall transfer, or cause to be transferred, the initial Common Area to the Association prior to the termination of the Declarant Control Period.

(b) Declarant and its designees may convey, or cause to be conveyed, to the Association personal property and fee title, leasehold, or other property interests in any portion of the Community, improved or unimproved, and shall convey the Common Area to the Association at such time as both (i) Declarant no longer owns any Lots, and (ii) the Declarant Control Period has expired. The Association shall accept and maintain such property at its expense for the Members' benefit, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Upon Declarant's written request, the Association shall reconvey to Declarant any unimproved portions of the Community originally conveyed to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines.

(c) The Association shall be responsible for management, operation, and control of the Common Area, subject to any covenants and restrictions set forth in the deed or other instrument transferring such property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate.

8.2. Maintenance of Area of Common Responsibility. The Association shall maintain, in accordance with the Community-Wide Standard, the Area of Common Responsibility, which shall include, but need not be limited to:

(a) all portions of and structures situated on the Common Area, including, but not limited to, the private streets serving the Community, if any;

(b) landscaping within public rights-of-way within or abutting the Community;

(c) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or any contract, covenant, or agreement for maintenance thereof entered into by, or for the benefit of, the Association;

(d) all lakes, ponds, streams, or Wetlands located within the Community which serve as part of the stormwater drainage system, and improvements and equipment installed therein or used in connection therewith;

(e) any part of the irrigation system for the Community, if any, installed by or at the direction of Declarant and located on the Community and all improvements and equipment used in connection therewith, including irrigation ditches, head gates, and siphons;

(f) any community systems installed in Lots by or at the direction of Declarant and located within the Community;

(g) any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association; and

(h) the Association may maintain other property it does not own, including, without limitation, publicly-owned property, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Neither Declarant nor the Association guarantees that drainage will flow off the Area of Common Responsibility on the intended drainage course (nor shall either bear any responsibility for ensuring the same).

The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, any property it does not own, except to the extent that such damage or injury is a direct result of the Association's gross negligence in the performance of maintenance responsibilities as specifically required by this Declaration.

The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the Board's sole discretion, to perform required maintenance or repairs, unless Members representing at least sixty-seven percent (67%) of the total votes in the Association and, during the Declarant Control Period, Declarant agree in writing to discontinue such operation.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment or any other means except with Declarant's prior written approval during Declaration Annexation Period.

The costs associated with maintenance, repair, and replacement of the Area of Common Responsibility shall be a Common Expense; provided, the Association may seek reimbursement from the Owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other Recorded covenants, or agreements with the Owner(s) thereof.

8.3. Insurance.

(a) Required Coverages. The Association shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) blanket property insurance for all insurable improvements on the Common Area and within the Area of Common Responsibility to the extent that Association has assumed responsibility in the event of a casualty, regardless of ownership. All property insurance policies the Association obtains shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes.

The Association shall be deemed trustee of all Members' interests in all insurance proceeds paid to the Association under any such policies and shall have full power to receive and to deal

with such proceeds. The insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, except as otherwise provided in this Section 8.3;

(ii) commercial general liability insurance on the Area of Common Responsibility. Coverage shall include, without limitation, liability for personal injuries and activities in connection with the ownership, operation, maintenance, and other use of the Area of Common Responsibility. The Board shall use its business judgment in deciding upon per occurrence limits for such coverage and shall consider any applicable secondary mortgage guidelines relating to such coverage.

The liability insurance shall name, as separately protected insureds, Declarant, any community manager, the Association, the Board, the ARC, and their respective representatives, members, agents, and employees with respect to any liability arising out of the maintenance or use of the Area of Common Responsibility;

(iii) workers' compensation insurance and employers' liability insurance, if and to the extent required by law;

(iv) directors' and officers' liability coverage (except that, during the Declarant Control Period, such coverage may be excluded if provided through other policies of insurance maintained by Declarant);

(v) commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter (1/4) of the annual Base Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) such additional insurance as the Board, in its business judgment, determines advisable.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses unless the Board reasonably determines that other treatment of the premiums is more appropriate. The Association shall include such premiums in the Assessments it levies. The Board shall review the limits of all Association insurance policies at least once a year and shall adjust the policy limits as the Board deems necessary or appropriate.

(b) Policy Requirements. The Association shall arrange for a periodic review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with replacement costs in the Jasper County, South Carolina area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment pursuant to Section 9.3.

The Board shall use reasonable efforts to secure insurance coverage which shall:

(i) be written with a company authorized to do business in South Carolina which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate and carries a Best rating of AA or better;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Area shall be for the benefit of the Association and its Members;

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement if the policy contains a co-insurance clause;

(vi) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's membership in the Association or interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);

(vii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer conditioning recovery on account of an act or omission of any one or more Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(viii) include an endorsement precluding the insurer from denying a claim by an Owner or conditioning recovery under the policy based upon or due to the negligent acts or omissions of the Association or any other Owner.

(c) In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners (as a class) as additional insureds for claims arising in connection with the ownership, existence, use, or management of the Common Area and provide:

(i) a waiver of subrogation as to any claims against the Association's Board of Directors, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash; and

(iii) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

8.4. Repair and Reconstruction of the Association Property. The Association shall have the authority and the duty to repair or reconstruct Common Area or other property which the Association is obligated to insure ("**Insured Property**") that is damaged or destroyed unless such repair or reconstruction would be illegal under any state or local ordinance governing health or safety, or Members representing at least sixty-seven percent (67%) of the total votes in the Association vote not to repair or reconstruct.

Except as otherwise provided in this Section 8.4, the Board shall diligently pursue to completion the repair or reconstruction of that part of the Insured Property damaged or destroyed. The Association may

take all necessary or appropriate action to effect such repair or reconstruction. Such repair or reconstruction shall be in accordance with the original plans and specifications unless other plans are approved by a majority vote of Board and the Reviewer pursuant to Article 5.

The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction of Insured Property. If the proceeds of insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, then the Board, pursuant to Section 9.3, may levy in advance a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in Article 9. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction. The insurance proceeds held by the Association and the amounts received from the Assessments provided for in Article 9 constitute a fund for the payment for costs of repair or reconstruction after casualty. If a balance exists after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners of the Lots in proportion to the contributions made by each Owner to the Association.

If a decision is made not to restore the damaged improvements and no alternative improvements are authorized, Association shall clear the affected property of all debris and ruins and thereafter shall maintain such improvements in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The cost of removal and landscaping shall be paid for with insurance proceeds. The Association shall retain the remaining proceeds in its general or other funds or shall allocate or distribute such funds as the Board determines appropriate, provided any such distribution of insurance proceeds shall be proportionate to the Members' interests.

8.5. Compliance and Enforcement.

(a) Compliance with Governing Documents. Every Owner and occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violating the Governing Documents after notice and an opportunity for a hearing in accordance with the procedures set forth in the Bylaws. Such sanctions may include, without limitation:

- (i) imposing reasonable monetary fines which shall constitute a lien upon the violator's Lot;
- (ii) suspending a Member's right to vote;
- (iii) suspending any services the Association provides to an Owner or the Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association;
- (iv) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;
- (v) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Lot that violates Article 5 and to restore the Lot to its previous condition and, upon the Owner's failure to do so, the Board or its designee shall have the right to enter the Lot, remove the violation, restore the Lot to substantially the same condition as previously existed, and levy a Specific Assessment against the Owner's Lot in accordance with Section 9.3. Any such action shall not be deemed a trespass;
- (vi) without liability to any Person, precluding any contractor, subcontractor, agent,

employee, or other invitee of an Owner who fails to comply with the terms and provisions of Article 5 and the Architectural Guidelines from continuing or performing any further activities in the Community; and

(vii) levying a Specific Assessment against an Owner in the manner provided in Section 9.3 to collect any costs the Association incurs in curing any violation, plus a reasonable administrative fee to discourage noncompliance, or to collect any fine that remains unpaid for a period of ten (10) days or more.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of complying with the procedures set forth in the Bylaws:

(i) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of Rules and Regulations relating to parking); and

(ii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In addition to any other enforcement rights, if an Owner fails to perform his or her maintenance responsibility properly, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs the Association incurs against the Lot and the Owner as a Specific Assessment pursuant to Section 9.3. Except in an emergency situation, the Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

(b) Board's Decision to Pursue Enforcement Action. The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the Association's right to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, or rule.

The Association, by contract or other agreement, may enforce applicable county ordinances, and Jasper County, South Carolina may enforce its ordinances within the Community.

8.6. Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by the Governing Documents or reasonably implied from or reasonably necessary to effectuate any such right or privilege.

The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Association or its Members.

In exercising the Association's rights and powers, making decisions on the Association's behalf, and conducting the Association's affairs, Board members shall be subject to, and their actions shall be judged in accordance with, the standards set forth in the Bylaws and South Carolina law.

8.7. Indemnification of Officers, Directors, and Others. Subject to South Carolina law, the Association shall indemnify every officer, director, and ARC member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or ARC member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section 8.7.

The officers, directors, and ARC members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members). The Association shall indemnify and forever hold each such officer, director, and ARC member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or ARC member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Decisions whether to institute litigation are no different from other decisions directors make. There is no independent legal obligation to bring a civil action against another party. In deciding whether to bring a civil action against another party, a director is protected by the business judgment rule under South Carolina law.

8.8. Security. The Association may, but shall not be obligated to, maintain or support certain activities, structures, or devices within the Community designed to make the Community safer than it otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

Each Owner acknowledges, understands, and covenants to inform his or her guests, lessees, invitees and all occupants of Owner's Lot that the Association, its Board and committees, and Declarant are not insurers of safety within the Community and that each Person using property located within the Community assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots,

resulting from acts of third parties.

8.9. Provision of Services. The Association may provide for services and facilities for the Members, their guests, lessees, and invitees, and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include landscape maintenance, cable television service, security, caretaker services, and transportation, fire protection, and garbage collection, utilities, including access to fiber optics networks, and similar services and facilities. Nothing herein shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, the Board, in its discretion, shall be permitted to modify or cancel existing services provided unless otherwise required by the Governing Documents. No Owner shall be exempt from the obligation to pay for such services, if provided to all Owners as a Common Expense, based upon non-use or any other reason.

8.10. Relations with Other Properties. The Association may enter into contractual agreements or covenants to share costs with any neighboring property or other homeowners or property owners association to address issues of an area-wide concern. Examples of issues which may be addressed include, but are not limited to, road and right-of-way maintenance, drainage issues, open space, amenities and to contribute funds for, among other things, shared or mutually beneficial property or services for a higher level of Area of Common Responsibility maintenance.

ARTICLE 9 ASSOCIATION FINANCES

9.1. Base Assessments; Allocation of Common Expenses and Budgeting. Until the Association first levies Assessments, Declarant shall be responsible for all Common Expenses. Thereafter, Assessments for Common Expenses shall be levied at least annually in accordance with this Article 9.

At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare and approve a budget of the estimated Common Expenses for the coming year. The budget shall include any contributions to be made to a reserve fund for repair and replacement of capital assets, based on a separate reserve budget which takes into account the number and nature of replaceable assets, the expected life of each asset, and each asset's expected repair or replacement cost. The budget shall reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than Assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Lots, as authorized in Section 9.3.

The Association is hereby authorized to levy Base Assessments equally against all Lots subject to assessment under Section 9.5 to fund the Common Expenses. In determining the Base Assessment rate per Lot, the Board may consider any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year.

Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by paying any deficit between the Common Expenses and the Association funds collected pursuant to the current year's budget, or any portion of any such deficit (in addition to any amounts paid by Declarant under Section 9.6), which may be a contribution, an advance against future Assessments due from Declarant, or a loan, as may be determined by Declarant in its sole and exclusive discretion. Any such deficit payment shall be disclosed as a line item in the income portion of the budget. Payment of such deficit, or portion thereof, in any year shall not obligate Declarant to continue payment of such deficit in future years, unless otherwise provided in a written agreement between the Association and Declarant.

9.2. Special Assessments. In addition to other authorized Assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of a majority of the Board and the consent of Declarant during the Declarant Control Period. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

9.3. Specific Assessments. The Association acting by and through its Board shall have the power to levy Specific Assessments against a particular Lot as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Lots upon request of an Owner pursuant to any menu of special services which the Association may offer (which might include items identified in Section 8.9). The Association may levy Specific Assessments for special services in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing the Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this subsection (b).

9.4. Authority To Assess Owners; Time of Payment. Declarant hereby establishes and the Association is hereby authorized to levy Assessments as provided for in this Article 9 and elsewhere in the Governing Documents. The obligation to pay Assessments shall commence as to each Lot on the day of the sale of a Lot to an owner other than Declarant and shall be prorated at the closing. The first annual Base Assessment levied on each Lot shall be adjusted according to the number of days remaining in the fiscal year at the time Assessments commence on the Lot, with the full amount of prorated Base Assessment owing for the remainder of the fiscal year to be collected at the closing.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of Assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, Assessments may be paid in annual, semi-annual, quarterly or monthly installments. Unless the Board provides otherwise, the Base Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any Assessments or other charges levied on his Lot, the Board may require the outstanding balance on all Assessments to be paid in full immediately.

9.5. Personal Obligation for Assessments. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of the Community, covenants and agrees to pay all Assessments authorized in the Governing Documents. All Assessments, together with interest (computed from its due date at a rate of ten percent (10%) per annum or such higher rate as the Board may establish, subject to the limitations of South Carolina law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be each Owner's personal obligation and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any Assessments and other charges due at the time of conveyance.

The Board's failure to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis

as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself from liability for Assessments by non-use of Area of Common Responsibility, abandonment of Owner's Lot, or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

9.6. Budget Deficits During the Declarant Control Period. During the Declarant Control Period, Declarant may, but shall not be required to, take any of the following actions:

(a) Advance funds to the Association sufficient to satisfy the deficit, if any, between the Association's actual operating expenses and the sum of the Base, Special and Specific Assessments collected by the Association in any fiscal year. Such advances shall, upon request of Declarant, be evidenced by promissory notes from the Association in favor of Declarant. Declarant's failure to obtain a promissory note shall not invalidate the debt;

(b) Cause the Association to borrow any amount from a third party at then prevailing rates for such a loan in the local area of the Community. Declarant, in its sole discretion, may guarantee repayment of such loan, if required by the lending institution, but no Mortgage secured by the Common Area or any of the improvements maintained by the Association shall be given in connection with such loan; or

(c) Acquire property for, or provide services to, the Association or the Area of Common Responsibility. Declarant shall designate the value of the property or the services provided, and such amounts, at Declarant's request, shall be evidenced by a promissory note. Failure to obtain a promissory note shall not invalidate the obligation referred to in this Section 9.6.

9.7. Statement of Account. Upon written request of any Member, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Association shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Lot, the amount of the current periodic assessment and the date on which such assessment becomes or became due, and any credit for advanced payments or prepaid items. Such statement shall be delivered to the requesting Person personally or fax or by email or USPS. The Association may require the payment of a reasonable processing fee for issuance of such statement.

Such statement shall bind the Association in favor of Persons who rely upon it in good faith. Provided such request is made in writing, if the request for a statement of account is not processed within fourteen (14) days of receipt of the request, all unpaid Assessments that became due before the date of making such request shall be subordinate to the lien of a Mortgagee that acquired its interest after requesting such statement.

9.8. Lien for Assessments. Subject to the limitations of any other applicable provisions of South Carolina law, the Association shall have a statutory lien against each Lot to secure payment of delinquent Assessments, as well as interest, late charges, and costs of collection (including attorneys' fees). Such lien shall be perfected upon the Recordation of this Declaration.

Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, Assessments, and other levies which by law would be superior; (b) the lien or charge of any Recorded First Mortgage made in good faith and for value; and (c) labor or mechanic's liens, to the extent required by law.

Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure in the same manner as provided for the foreclosure of Mortgages under South Carolina law. All such costs and expenses of any such foreclosure shall be secured by the lien being foreclosed.

The Association may bid for the Lot, as applicable, at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (d) no right to vote shall be exercised on its behalf; (e) no assessment shall be levied on it; and (f) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged to the foreclosed Lot had the Association not acquired it. The Association may sue for unpaid Assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent Assessments. However, the sale or transfer of any Lot pursuant to foreclosure of the First Mortgage shall extinguish the lien as to any installments of such Assessments due prior to the Mortgagee's foreclosure, except as otherwise provided in this Section 9.8. Uncollected Assessments shall be deemed Common Expenses collectible from Owners of all Lots subject to assessment under Section 9.5, including such acquirer, its successors, and assigns. The subsequent Owner of the foreclosed Lot shall not be personally liable for Assessments on such Lot due prior to such acquisition of title. Such unpaid Assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 9.5, including such acquirer, its successors, and assigns.

9.9. Exempt Property. The following property shall be exempt from payment of Base Assessments, Specific Assessments, and Special Assessments: (a) all Common Area and such portions of the Community owned by Declarant as are included in the Area of Common Responsibility; and (b) any property dedicated to and accepted by any governmental authority or public utility; and (c) any Lot owned by an Builder until the time such Lot is conveyed to a third party residential purchaser; and (d) any and all property owned by Declarant.

9.10. Capitalization of the Association. Upon acquisition of record title to a Lot by the first Owner thereof other than Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to Five Hundred Dollars (\$500) per Lot. This amount shall be in addition to, not in lieu of, the annual Base Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association. The Association shall deposit this amount into the operating account of the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the Bylaws, including, but not limited to, expenses incurred by Declarant in providing infrastructure or other Common Area to the Community. This amount may be increased or decreased in the sole and exclusive discretion of the Board.

9.11. Transfer Fee on Resales. Each time a Lot is sold, transferred or otherwise conveyed to a new Owner, the purchaser of the Lot shall pay to the Association at the time of settlement a transfer fee in the amount of Five Hundred Dollars (\$500) per Lot or such higher amount as may be determined by the Board of Directors. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association. The Association shall deposit this amount into the operating account of the Association for any legitimate purposes as the Board of Directors may determine, but said amounts shall not be considered as advance payments of regular Assessments. This provision shall not apply to the following transfers: (i) involuntary conveyances; (ii) conveyances pursuant to testacy or as a part of the Owner's estate planning; or (iii) conveyances between family members when no consideration is paid.

**ARTICLE 10
EXPANSION OF THE COMMUNITY**

10.1. Expansion by Declarant. During the Declarant Control Period, Declarant reserves the right, but not the obligation, to subject unilaterally to the provisions of this Declaration any real property chosen for annexation by Declarant. Declarant may transfer or assign this right to subject property, provided that the transferee or assignee is the owner of at least a portion of the real property described in Exhibit "A", and that Declarant memorializes such transfer by executing a written, Recorded instrument.

Declarant shall subject property by Recording a Supplemental Declaration describing the property being subjected. Such Supplemental Declaration shall not require the Members' consent but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the Recording of such Supplemental Declaration unless otherwise provided therein.

10.2. Expansion by the Association. After the Declarant Control Period terminates, the Association may subject any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Members representing at least sixty-seven percent (67%) of the total votes in the Association, and the consent of Declarant if during the Declarant Control Period.

The Association shall subject such property by Recording a Supplemental Declaration describing the property being subjected. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, by the owner of the subjected property, and by Declarant, if Declarant's consent is required. Any such subjection of property shall be effective upon Recording unless otherwise provided therein.

10.3. Withdrawal of Property. During the Declarant Control Period, Declarant reserves the unilateral right to amend this Declaration to withdraw any portion of the Community from the coverage of this Declaration whether originally described in Exhibit "A" or added by Supplemental Declaration; however, the withdrawal of any property shall require the consent of the affected Owner(s), if other than Declarant. If the property is Common Area, the Association shall consent to such withdrawal upon Declarant's request.

10.4. Additional Covenants and Easements. During the Declarant Control Period, Declarant unilaterally may subject any portion of the Community to additional covenants, restrictions and easements. Such additional covenants, restrictions and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the subjection of such property and shall require the written consent of the owner(s) of such property, if other than Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

10.5. Effect of Filing Supplemental Declaration. A Supplemental Declaration shall be effective upon Recording unless such Supplemental Declaration specifies otherwise. On the effective date of the Supplemental Declaration, any Additional Property shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

10.6. Amendment. This Article 10 shall not be amended without Declarant's prior written consent so long as Declarant owns any real property described in Exhibit "A" or Exhibit "B".

**ARTICLE 11
DEVELOPMENT RIGHTS AND PROTECTIONS**

11.1. Reasonable Rights To Develop. Declarant and/or Builder may be undertaking the work of constructing improvements to and upon the Community, including Lots. The completion of such construction and the sale or other disposal of the Lots is essential to the establishment and welfare of the Community as a residential community. Therefore, so long as Declarant owns any real property described in Exhibit "A" or Exhibit "B" for development or sale, nothing in this Declaration or the other Governing Documents shall be understood or construed to:

(a) prevent Declarant, Builder, or their respective contractors or subcontractors from doing in the Community or on any Lot whatever is reasonably necessary or advisable in connection with the commencement or completion of the above-described work;

(b) prevent Declarant or its representatives from erecting, constructing, and maintaining on any part of the Community such structures as reasonably may be necessary for the conduct of its business of completing the work, establishing the Community as a residential community, and disposing of the Lots by sale, lease, or otherwise;

(c) prevent Declarant from maintaining such signs and conducting such activities on any part of the Community owned by Declarant or the Association as Declarant may deem to be reasonably necessary for the sale, lease, or disposition of Lots; or

(d) prevent Declarant from placing and utilizing on Lots or other property which it owns one or more mobile trailers or temporary structures as sales offices or for construction activities.

Nothing in this Section 11.1 shall give Declarant the right to damage any Lot or other property not owned by Declarant.

11.2. Marketing and Sales Activities. So long as Declarant owns any real property described in Exhibit "A" or Exhibit "B", Declarant and Builder may construct, relocate, maintain, and carry on upon any Lot Declarant owns or upon portions of the Common Area, such facilities and activities as may be reasonably required, convenient, or incidental to the construction, marketing, or sale of Lots, in Declarant's sole opinion. Such facilities and activities may include, without limitation, business offices, signs, model homes, and sales offices. There shall be no limit on the number or size of such facilities. Declarant and Builder shall have easements for access to and use of such facilities. Declarant reserves the right to remove any personal property used in connection with its activities on the Common Area upon termination of its rights under this Section 11.2.

11.3. Construction of Improvements. So long as Declarant owns any portion of the real property described in Exhibit "A" or Exhibit "B", Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

Every Person that acquires any interest in the Community acknowledges that the Community is a planned community, the development of which is likely to extend over several years, and agrees not to protect, challenge, or otherwise object to changes in the Plan.

11.4. Right To Approve Additional Covenants. So long as Declarant owns any portion of the real property described in Exhibit "A" or Exhibit "B", no Person shall record any declaration of covenants, conditions, restrictions and easements, or declaration of condominium or similar instrument affecting any portion of the Community without Declarant's review and written consent. Any instrument Recorded without such consent shall be void and of no force and effect unless Declarant subsequently consents in a

Recorded instrument.

11.5. Right To Transfer or Assign Declarant Rights. Any or all of Declarant's special rights and obligations set forth in this Declaration or the Bylaws may be transferred in whole or in part to other Persons; however, the transfer shall not reduce an obligation or enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless Declarant executes a written, Recorded instrument. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety. In such case it shall not be necessary to record any written assignment unless it is necessary to evidence Declarant's consent to such exercise.

11.6. Exclusive Rights To Use Name of the Community.

No Person shall use the name "Old Bailey" or any derivative of such name in reference to the Community or any activities associated with this Community in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Old Bailey" in printed or promotional matter where such term is used solely to specify that particular property is located within the Community, and the Association shall be entitled to use the words "Old Bailey" in its name.

11.7. Right to Approve Changes in Community Standards. So long as Declarant owns real property described in Exhibit "A" or Exhibit "B", no amendment to or modification of any Rules and Regulations or Architectural Guidelines shall be effective without Declarant's prior written approval.

11.8. Easement to Inspect and Right to Correct. Declarant reserves for itself and such other Persons as it may designate perpetual non-exclusive easements throughout the Community to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, or correcting any portion of the Community, including Lots and the Area of Common Responsibility. Declarant shall have the right to redesign or correct any part of the Community, including Lots and the Area of Common Responsibility. Entry onto a Lot shall be after reasonable notice, except in an emergency. Entry into a dwelling on a Lot shall be only after Declarant notifies the Owner of the Lot and agrees with such Owner regarding a reasonable time to enter the dwelling on such Lot to perform such activities. The exercise of these easements shall not unreasonably interfere with the use of any Lot and entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

ARTICLE 12 EASEMENTS

12.1. Easements in Common Area. Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying an interest in such property to the Association; and
- (c) The Board's right to: (i) adopt and enforce rules regulating use and enjoyment of the Common Area; (ii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration; and (iii) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Article 15 of this Declaration.

Any Owner may extend his or her right of use and enjoyment of the Common Area to the occupants of Owner's Lot, lessees, guests and invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases Owner's Lot shall be deemed to have assigned all such rights to the lessee of such Lot for the period of the lease.

12.2. Easements of Encroachment. Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement, settling, or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

12.3. Easements To Serve Additional Property. So long as Declarant owns any portion of the real property described in Exhibit "A" or Exhibit "B", Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the real property described in Exhibit "B", whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property.

12.4. Easements for Maintenance, Emergency, and Enforcement. Declarant grants to the Association easements over the Community as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.1 and Section 8.2. Specifically, the Association shall have a right of entry upon and easement of access through every Lot, excepting the dwelling thereon, for the purpose of maintaining any property or improvement for which the Association has maintenance responsibility. The Association also shall have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance, and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

12.5. Easements for Pond and Wetland Maintenance and Flood Water. Declarant reserves for itself, its successors, assigns, and designees during the Declarant Control Period, and grants to the Association and its successors, assigns, and designees in perpetuity, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and Wetlands located within the Area of Common Responsibility to (a) install, operate, maintain, and replace pumps to supply irrigation water to the Area of Common Responsibility; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. Declarant, the Association, and their successors, assigns, and designees shall have an access easement over and across any of portion of the Community abutting or containing bodies of water or Wetlands to the extent reasonably necessary to exercise their rights under this Section 12.5.

Declarant further reserves for itself, its successors, assigns, and designees during the Declarant Control Period, and their successors, assigns, and designees in perpetuity, a nonexclusive right and easement of access and encroachment over the Common Area and Lots (but not the dwellings thereon) adjacent to or within one hundred (100) feet of bodies of water and Wetlands within the Community, in order to (a) temporarily flood and back water upon and maintain water over such portions of the Community; (b) alter in any manner and generally maintain the bodies of water and Wetlands within the

Area of Common Responsibility; (c) draw water from lakes, ponds, and streams within the Community for purposes of irrigation and such other purposes as Declarant shall deem desirable; and (d) maintain and landscape the slopes and banks pertaining to such areas. All persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural occurrences.

No Person shall exercise an easement pursuant to this Section 12.5 in violation of, or for any purpose which violates local, state, or federal laws or regulations.

12.6. Easements for Irrigation System. Declarant reserves for itself, its successors, assigns, and designees during the Declarant Control Period, and grants to the Association and its successors, assigns, and designees in perpetuity, the nonexclusive right and easement, but not the obligation, to enter upon every Lot and the Common Area to install, operate, maintain, and replace irrigation systems or portions thereof, including irrigation ditches, head gates, and siphons. Declarant, the Association, and their successors, assigns, and designees shall have an access easement over and across any portion of the Community abutting or containing irrigation systems to the extent reasonably necessary to exercise their rights under this Section 12.6. Notwithstanding the above, Owners are responsible for maintaining irrigation systems exclusively serving their Lot.

12.7. Easement for Utilities and Community Systems. Declarant reserves for itself, its successors, assigns and designees during the Declarant Control Period and grants to the Association and its successors, assigns, and designees and all utility providers, perpetual non-exclusive easements throughout the Community (but not through a dwelling) to the extent reasonably necessary to: (a) install utilities and infrastructure to serve the Community, and drainage systems; (b) inspect, maintain, repair, and replace the utilities, infrastructure, and other improvements described above; and (c) access and read utility meters.

ARTICLE 13 DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

13.1. Consensus for Association Litigation. Except as provided in this Section 13.1, the Association shall not commence a judicial or administrative proceeding without the approval of Members representing at least sixty-seven percent (67%) of the total votes in the Association. This Section 13.1 shall not apply, however, to: (a) actions brought by the Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (b) the collection of Assessments; (c) proceedings involving challenges to *ad valorem* taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought during the Declarant Control Period which are commenced by Declarant. This Section 13.1 shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Prior to the Association or any Member commencing any judicial or administrative proceeding to which Declarant is a party and which arises out of an alleged defect at the Community or any improvement constructed upon the Property, Declarant shall have the right to meet in good faith and discuss the subject of the proceeding with the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of the Community, including any improvement as to which a defect is alleged. In addition, the Association, or the Member, shall notify the Builder who constructed such improvement prior to retaining any other expert witness or for other litigation purposes.

13.2. Alternative Method for Resolving Disputes. Declarant, the Association, its officers, directors, and ARC members, all Persons subject to this Declaration, and Builder within the Community, and any Person not otherwise subject to this Declaration who agrees to submit to this Article 13

(individually a “**Bound Party**”, and collectively, the “**Bound Parties**”) agree to encourage the amicable resolution of disputes involving the Community, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to use good faith efforts to resolve those claims, grievances, or disputes described in Sections 13.3 (“**Claims**”) using the procedures set forth in Section 13.4.

13.3. **Claims.** Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents, or the rights, obligations, and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Community (other than matters of aesthetic judgment under Article 5, which shall not be subject to review) shall be subject to the provisions of Section 13.4. Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 13.4:

- (a) any suit by the Association against any Bound Party to enforce the provisions of Article 9;
- (b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association’s ability to enforce the provisions of Article 3, Article 4, and Article 5;
- (c) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;
- (d) any suit in which any indispensable party is not a Bound Party;
- (e) any suit as to which any applicable statute of limitations would expire within one hundred eighty (180) days of giving the Notice required by Section 13.4(a) unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article 13; and
- (f) any suit initiated by Declarant.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 13.4.

13.4. **Mandatory Procedures.**

(a) **Notice.** Any Bound Party having a Claim (“**Claimant**”) against any other Bound Party (“**Respondent**”) (collectively, the “**Parties**”) shall notify each Respondent in writing (the “**Notice**”), stating plainly and concisely: (i) the nature of the Claim, including the Persons involved and Respondent’s role in the Claim; (ii) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises); (iii) Claimant’s proposed remedy; and (iv) that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) **Negotiation and Mediation.**

(i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(ii) If the Parties do not resolve the Claim within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("**Termination of Negotiations**"), Claimant shall have thirty (30) additional days to submit the Claim to mediation under an independent agency providing dispute resolution services in Jasper County, South Carolina or surrounding areas.

(iii) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; however, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(iv) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("**Termination of Mediation**"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(v) Within five (5) days of the Termination of Mediation, the Claimant shall make a final written demand ("**Settlement Demand**") to the Respondent, and the Respondent shall make a final written settlement offer ("**Settlement Offer**") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimants' original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(c) Final and Binding Arbitration.

(i) If the Parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to arbitration in accordance with the rules of arbitration contained in Exhibit "E" or such rules as may be required by the agency providing the arbitrator. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; however, nothing herein shall release or discharge Respondent from any liability to Persons other than Claimant.

(ii) This subsection (c) is an agreement to arbitrate and is specifically enforceable under any applicable arbitration laws of the State of South Carolina. The arbitration award ("**Award**") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the South Carolina laws.

13.5. Allocation of Costs of Resolving Claims.

(a) Subject to Section 13.5(b), each Party shall bear its own costs, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("**Post Mediation Costs**").

(b) Any Award that is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne equally by all Respondents. Any Award that is equal to or less favorable to Claimant than any Respondents' Settlement

Offer shall award such Respondent its Post Mediation Costs.

13.6. Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 13.4 and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with an Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 13.4. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

ARTICLE 14 MORTGAGEE PROVISIONS

14.1. General. The following provisions are for the benefit of holders, insurers, and guarantors of First Mortgages on Lots in the Community. The provisions of this Article 14 apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

14.2. Notices of Action. An institutional holder, insurer, or guarantor of a First Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), shall be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a First Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) any delinquency in the payment of Assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Governing Documents relating to such Lot or the Owner or occupant which is not cured within sixty (60) days of receiving notice of such violation;

(c) any lapse, cancellation, or material modification of any insurance policy the Association maintains; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Holders.

14.3. Other Provisions for First Lien Holders. To the extent not inconsistent with South Carolina law and any other provisions of the Governing Documents, the following shall apply:

(a) any restoration or repair of the Community after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless Eligible Holders representing more than sixty-seven percent (67%) of the votes of Lots subject to Mortgages held by Eligible Holders elect otherwise; and

(b) termination of the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders representing more than sixty-seven percent (67%) of the votes of Lots subject to Mortgages held by Eligible Holders.

14.4. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as

giving any Owner or other party priority over any rights of the First Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

14.5. Notice to the 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 Lot.

14.6. 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, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

14.7. Construction of Article 14. Nothing contained in this Article 14 shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, the Bylaws, or South Carolina law for any of the acts set out in this Article 14.

ARTICLE 15 CHANGES IN COMMON AREA

15.1. Condemnation. If a Lot or portion thereof shall be taken by eminent domain, compensation and the Owner's interests in the Common Area shall be evenly allocated. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least sixty-seven percent (67%) of the total votes in the Association and of Declarant, during the Declarant Control Period) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining Common Area to the extent available, unless within sixty (60) days after such taking Declarant, during the Declarant Control Period, and Members representing at least sixty-seven percent (67%) of the total votes in the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 8.4 regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

15.2. Transfer, Partition, or Encumbrance of Common Area.

(a) Except as this Declaration otherwise specifically provides, the Common Area shall not be judicially partitioned or subdivided into Lots, nor shall the ownership of the Common Area be otherwise divided or encumbered in any manner after conveyance to the Association, except upon the approval of Members representing at least sixty-seven percent (67%) of the total votes in the Association, including a majority of the votes held by Members other than Declarant, and the consent of Declarant during the Declarant Control Period.

(b) The Association shall have the authority, subject to approval of Members representing

more than fifty percent (50%) of the total votes in the Association, including a majority of the votes held by Members other than Declarant, and the consent of Declarant, during the Declarant Control Period, to transfer portions of the Common Area and improvements thereon to appropriate governmental entities or tax-exempt organizations for the maintenance, operation, and preservation thereof; provided, any such transfer shall not relieve such Common Area from the rights and benefits of the Association and the Members as provided in this Declaration and shall otherwise be subject to the provisions of this Declaration.

ARTICLE 16 MISCELLANEOUS

16.1 Control of Declarant. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION OR OTHER GOVERNING DOCUMENTS, DECLARANT HEREBY RETAINS THE RIGHT TO UNILATERALLY APPOINT AND REMOVE ANY MEMBER OR MEMBERS OF THE BOARD AND ANY OFFICERS OF THE ASSOCIATION AS PROVIDED IN THIS SECTION 16.1 AND FOR THE TERM SET FORTH IN THIS DECLARATION AND OF THE BYLAWS. EVERY GRANTEE OF ANY INTEREST IN THE COMMUNITY BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE OF SUCH INTEREST, AGREES THAT DECLARANT SHALL HAVE THE AUTHORITY TO APPOINT AND REMOVE DIRECTORS AND OFFICERS OF THE ASSOCIATION IN ACCORDANCE WITH THE FOREGOING PROVISIONS OF THIS SECTION 16.1 AND THE PROVISIONS OF THIS DECLARATION AND OF THE BYLAWS. THE PROVISIONS OF THIS SECTION 16.1 ARE SUPPLEMENTAL TO, AND NOT IN SUBSTITUTION OF RIGHTS RETAINED BY DECLARANT PURSUANT TO THIS DECLARATION OR OTHER GOVERNING DOCUMENTS.

In addition to the remedies outlined above in this Declaration and in addition to any other remedies or rights reserved to Declarant under a previously recorded document affecting the Community or a portion thereof, Declarant's right to enforce the provisions of this Declaration, the Bylaws, the Architectural Guidelines, and the Rules and Regulations shall extend for as long as Declarant owes any duties or obligations to a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Community, even if Declarant has already turned over control of the Association to a Member-elected Board of Directors and even if Declarant's Class "B" Membership has converted to Class "C" Membership; provided that Declarant may exercise the extended enforcement rights described in this Section 16.1 for purposes including, but not limited to, (a) responding to a request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Community; or (b) in the sole discretion of Declarant, preventing an anticipated request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Community.

Declarant may exercise its extended enforcement powers described in this Section 16.1: (i) through the Association, whereby the Association exercises its enforcement powers under this Declaration in order to adequately respond to, or attempt to prevent, the request or demand of a governmental body, district, agency, or authority; or (ii) independently of the Association, whereby Declarant exercises any and all enforcement powers reserved to it under this Declaration in order to adequately respond to, or attempt to prevent, the request or demand of a governmental body, district, agency, or authority, including without limitation the right to enter any portion of the Community to remedy a violation, the right to impose Assessments for non-compliance and the right to file a lien upon the Lot of the Owner against whom enforcement is being sought for the amount of such Assessments, and the right to bring any and all other legal actions to force compliance by an Owner. In the event Declarant exercises said extended enforcement powers, all costs incurred by Declarant, including reasonable attorneys' fees, shall be the responsibility of the Owner(s) against whom enforcement was sought and shall be added to the lien filed by Declarant against said Owner, if applicable. The provisions of this Section 16.1 provide Declarant with the option of

exercising extended enforcement powers under this Declaration as a Class "C" Member, however they do not impose any duty or obligation upon Declarant to do so and these rights shall extend beyond the termination of Declarant's Class "B" Membership.

16.2. HUD/VA Approval. Until the termination of the Declarant Control Period, the following actions shall require the prior approval of the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs, if either such agency is insuring or guaranteeing the Mortgage on any Lot: merger, consolidation, or dissolution of the Association; annexation of additional property other than that described in Exhibit "B"; dedication, conveyance, or mortgaging of Common Area; or material amendment of this Declaration or the Bylaws. The granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a conveyance within the meaning of this Section 16.2.

16.3. Actions Requiring Owner Approval. If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs insures or guarantees the Mortgage on any Lot, then, during the Declarant Control Period, the following actions shall require the prior approval of Members representing at least sixty-seven percent (67%) of the total votes in the Association and the consent of Declarant: merger, consolidation, or dissolution of the Association; annexation of additional property other than that described in Exhibit "B"; and dedication, conveyance, or mortgaging of Common Area. Notwithstanding anything to the contrary in Section 16.2 or this Section 16.3, the Association may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area without the membership's approval.

16.4. Amendment. This Declaration may be amended unilaterally at any time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, the Department of Housing and Urban Development, the Veterans Administration, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to this Declaration; however, any such amendment shall not adversely affect title to any Lot unless such Lot's Owner consents in writing. Further, during the Declarant Control Period, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, that any such amendment shall not in Declarant's sole opinion materially adversely affect the substantive rights of any Owners hereunder and any such amendment shall not adversely affect title to any Lot without the consent of the affected Owner(s) (which consent shall not be unreasonably withheld).

Additionally, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of the Owners of at least sixty-seven percent (67%) of the Lots and the consent of Declarant during the Declarant Control Period.

After the Declarant Control Period, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of the Owners of at least sixty-seven percent (67%) of the Lots.

16.5. Validity and Effective Date of Amendment. No amendment may remove, revoke, or modify any Declarant right or privilege without Declarant's written consent (or the assignee of such right

or privilege).

If an Owner consents to any amendment to this Declaration or the Bylaws, it shall be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party shall affect the validity of such amendment.

Any amendment shall become effective upon Recording unless it specifies a later effective date. Any procedural challenge to an amendment must be made within one (1) year of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

16.6. Duration. This Declaration, as it may be amended and supplemented from time to time, shall remain in effect and shall be enforceable by Declarant, the Association, any Owner, and their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is Recorded. After such time, this Declaration shall be extended automatically for successive periods of ten (10) years each, unless an instrument signed by a majority of then Owners has been Recorded within the year preceding any extension, agreeing to terminate this Declaration, in which case it shall terminate as of the date specified in such instrument. Nothing in this Section 16.6 shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

16.7. Perpetuities. If any of the covenants, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of former President George W. Bush.

16.9. Exhibits. Exhibit "A", Exhibit "B", and Exhibit "E" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article 16. Exhibit "C" is incorporated by this reference and may be amended in accordance with Article 4 or this Article 16. Exhibit "D" is attached for informational purposes and may be amended as provided therein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

DECLARANT:

K & R DEVELOPMENT, LLC,
a South Carolina limited liability company

By: _____

Name: _____

Title: _____

Witness #1
Name: _____

Witness #2
Name: _____

STATE OF _____:
COUNTY OF _____

I, the undersigned Notary Public in and for said County, in the said State, do hereby certify _____, as _____ of K & R DEVELOPMENT, LLC, a South Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official stamp or seal, this ____ day of _____, 202__.

NOTARY PUBLIC (SEAL)

My Commission Expires:

[Notary Stamp or Seal]

EXHIBIT "A"

Legal Description of Submitted Property

EXHIBIT "B"

Legal Description of Additional Property

Any and all real property lying and being within five (5) miles from any boundary of the real property described in Exhibit "A".

EXHIBIT "C"

Initial Rules and Regulations

The following rules, regulations and restrictions shall apply to the Community until such time as they are amended, modified, repealed, or limited pursuant to Article 4 of this Declaration.

1. Residential Purposes. The Community shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for Declarant to assist in the sale of real property described in Exhibit "A" or Exhibit "B", offices for any community manager retained by the Association, and business offices for Declarant or the Association) consistent with this Declaration and any Supplemental Declaration. All residential dwellings constructed within the Community shall have a minimum building floor area of one thousand one hundred twenty (1,120) square feet of heated and cooled living space, excluding garages, porches, patios, and unfinished basements.

2. Restricted Activities and Prohibited Conditions. The following activities and/or conditions are prohibited within the Community *unless expressly authorized in writing by the Board*, and then, subject to such conditions as the Board may impose:

(a) Exterior Additions or Alterations. Construction, erection, placement, or modification of any structure or thing, permanently or temporarily, on the outside portion of a Lot, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article 5 of this Declaration. This shall include, without limitation, conversion of any carport or garage to finished space for habitable use, modification of any landscaped or grassed areas, removal of trees, signs, permanently installed basketball hoops, swing sets, and similar sports and play equipment (although trampolines are expressly prohibited); clotheslines, garbage cans, woodpiles, in-ground swimming pools (above ground pools being expressly prohibited), front and side yard garden statuary, fountains or sculptures, or docks, piers, and similar structures, hedges, walls, animal runs, animal pens, or fences of any kind. Under no circumstances shall the ARC approve the replacement of all or a majority of the grassed area of a Lot with mulch or stone. Fences are subject to the additional provisions set forth below. White garden rock of any size is expressly prohibited within any landscaping.

(b) Vehicles. Parking any vehicles on streets, thoroughfares or Areas of Common Responsibility (with exception of designated parking areas) and parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, snowmobiles, stored vehicles, or inoperable vehicles in places other than enclosed garages; provided, however, (1) construction, service, and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or Area of Common Responsibility; and (2) parking and storage of boats shall be subject to the additional provisions set forth below. Light commercial vehicles (i.e., commercial carrier vehicle with a gross vehicle weight of not more than 3.5 tons) and trucks bearing USDOT Classifications 1 – 4 (but not greater) will be allowed, provided they are parked in a garage where possible, and not on lawns or in back yards, or on streets except for limited durations while maintenance is performed. No overflow car, RV, boat or trailer parking, or any overflow parking, will be allowed in the Common Area. At the discretion of the Board, boat, watercraft, recreational vehicle and trailer storage may be made available within a designated area(s) within the Community for a monthly fee to be determined by the Board annually.

(c) Motorized Vehicles. Operation of motorized vehicles with exception of those designed for use by handicapped persons, including, without limitation, any golf carts, electric or gas-powered scooters, four-wheelers, ATVs, go-carts, or similar vehicles, on any walking or jogging trails, sidewalks or other pathways intended for pedestrian traffic.

(d) Animals. Raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets (the combined number of such animals not to exceed the lesser of three (3) or a number established by local jurisdiction ordinance or law may be permitted in a Lot). All pets shall be reasonably controlled by the Owner whenever outside of a Lot, and shall be prohibited from roaming free, making objectionable noise or odors, and endangering the health or safety of, or otherwise constituting a nuisance (e.g., barking or other acts) or inconvenience to, the occupants of other Lots, all as determined by the Board in its sole discretion. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Community, or is destructive to wildlife, such animal shall be removed from the Community. Pets violating the foregoing shall be removed upon the Board's request, and if the pet owner fails to honor such request, the Board may remove the pet at the pet owner's expense. Animals shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Owners shall clean up behind any pet while walking such pet on any Common Area. Owners shall be responsible for all of the pet's action. Pets shall be registered, licensed, and inoculated as required by law. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Community, or is destructive to wildlife, such animal shall be removed from the Community. Without limiting the foregoing, chickens, livestock, or poultry of any kind shall not be considered usual and common household pets and shall be prohibited within the Community.

(e) Nuisance or Offensive Activities. Any noxious or offensive activity which, in the reasonable determination of the Board, tends to cause embarrassment, discomfort, annoyance, or nuisance to the occupants of other Lots or persons using the Area of Common Responsibility or other conditions which tend to disturb the peace of or threaten the safety of the occupants of other Lots or persons using the Area of Common Responsibility. Without limiting the generality of the foregoing, any activity which emits foul or obnoxious odors outside the Lot, barking dogs, or the use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Lots (except alarm devices used exclusively for security purposes) are prohibited.

(f) Illegal Activities. Any activity which violates local, state, or federal laws or regulations.

(g) Unsanitary Activities. Any activities which tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Lot, including, without limitation, accumulation of rubbish, trash, or garbage except between regular garbage pick-ups, and then only in approved containers. Such containers shall be either kept behind the home and not seen from street, or kept inside, except as reasonably necessary for garbage pick-ups (with containers to be deposited curbside not earlier than one (1) day before scheduled pick-up and removed the same day as scheduled pick-up);

(h) Burning. Outside burning of trash, leaves, debris, or other materials, except during the normal course of constructing a dwelling on a Lot and in such instance subject to any local jurisdictional burning permit requirement. The foregoing shall not prohibit the installation and use of outdoor fire pits and fireplaces constructed, installed and maintained with a Lot's back yard as may be approved by the ARC, provided any such fires are controlled, conducted and monitored in

compliance with all applicable laws and any additional Rules and Regulations imposed by the Board, and are safely contained within such fire pits and fireplaces as are approved by the ARC, but in no event shall any Owner install or place any fire pit, or otherwise ignite a fire, within the Common Area;

(i) Firearms/Fireworks. Discharge of firearms, firecrackers, fireworks or other explosive devices.

(j) Dumping. Dumping grass clippings, leaves, or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Common Area of the Community, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff, and Declarant and Builder may dump and bury rocks and trees removed from a building site on such building site;

(k) Storage. On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Lot for emergency purposes and for operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Article 5.

(l) Wildlife. Capturing, trapping, or killing of wildlife within the Community, except in circumstances posing an imminent threat to the safety of persons using the Community, and except for fishing in designated fishing ponds within the Community, if any, in accordance with applicable law and any Rules and Regulations imposed by the Board.

(m) Environment. Any activities which materially disturb or destroy the vegetation, wildlife, Wetlands, or air quality within the Community.

(n) Drainage. Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent;

(o) Irrigation Systems. Installation of any sprinkler or irrigation systems or wells of any type, other than those initially installed by Declarant or an Builder, which draw upon water from lakes, creeks, streams, rivers, ponds, Wetlands, canals, or other ground or surface waters within the Community, except that Declarant and the Association shall be permitted and shall have the exclusive right and easement to draw water from such sources within the Community for purposes of irrigation and such other purposes as Declarant or the Association shall deem desirable;

(p) Bodies of Water. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of rivers, lakes ponds, streams, or other bodies of water within or adjacent to the Community.

(q) Time-Sharing. Use of any Lot for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program.

(r) Business or Trade. Any business, trade or similar activity, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (i) the

existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (ii) the business activity conforms to all zoning requirements for the Community; (iii) the business activity does not involve door-to-door solicitation of residents of the Community; (iv) the business activity does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked within the Community which is noticeable greater than that which is typical of Lots in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents within the Community, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether; (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required.

Leasing of a Lot shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Declarant or a Builder with respect to its development and sale of the Community or its use of any Lots which it owns within the Community, including the operation of a timeshare or similar program.

(s) Subdivision of Property. Subdivision of a Lot into two (2) or more Lots, or changing the boundary lines of any Lot, after a subdivision plat including such Lot has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat Lots which it owns.

(t) General. Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community;

(u) Unsightly Structures. Structures, equipment, or other items on the exterior portions of a Lot which have become rusty, dilapidated, or otherwise fallen into disrepair;

(v) Exterior Antennas. Satellite dishes, antennas, and similar devices for the transmission of television, radio, satellite, or other signals of any kind, except that (i) satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; and (iii) antennas designed to receive television broadcast signals ((i), (ii), and (iii), collectively, are referred to herein as "**Permitted Devices**") shall be permitted; however, any such Permitted Device must be placed in the least conspicuous location on the Lot rear roof or back yard at which an acceptable quality signal can be received and is not visible from the street, Common Area, or neighboring property, and is installed and maintained in a manner consistent with the Community-Wide Standard and the Architectural Guidelines, as reviewed and approved by the ARC pursuant to Article 5. Notwithstanding anything contained herein to the contrary, Declarant and the Association shall have the right, without obligation, to erect or install and maintain satellite dishes, antennas, or similar devices for the benefit of all or a portion of the Community.

(w) Exterior Decorative Items. Installation, display, or presence of exterior decorative items, including, but not limited to, statuary, wishing balls and fountains are prohibited in front yard and cannot be seen from street. Yard flags are prohibited but flags attached to a dwelling are allowed with Board approval.

(x) Boats. Boats and other watercraft shall not be stored on any Lot unless located in an enclosed garage or in a location not visible from the street. Boat trailers or watercraft trailers shall not be stored on any Lot unless located in an enclosed garage or in a location not visible from the street and shall not be parked on the street at any time, nor in the Lot's driveway for longer than forty-eight (48) hours within any consecutive seven (7) day period.

(y) Yards; Landscaping; Outbuilding; Driveways. No rocks or gravel of any kind can be used in any landscaping. Single family detached dwellings may request change to bark mulch or mulch as long as the color is that approved by the ARC. Single standing mailboxes are prohibited, and cluster-type mailboxes shall be used for all residents. Any storage shed or outbuilding constructed on a Lot shall be constructed only upon the Association's approval of the shed or outbuilding's size, construction materials, and location on the Lot. The exterior of any storage shed or outbuilding shall be finished with siding materials of identical color and style as the Lot.

(z) Fences. Under no circumstances shall the ARC approve the erection or construction of a fence that does not meet the guidelines of the ARC regarding fence material, style, height, location and any other factor deemed important by the ARC. The ARC will promulgate and publish such guidelines from time to time and nothing contained herein shall prohibit the ARC from revising those guidelines as the ARC determines in its sole discretion.

3. Leasing of Lots. "Leasing," for purpose of this Paragraph, is defined as regular exclusive occupancy of a Lot by any person, other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. The Board may require a minimum lease term; however, in no case shall such term be shorter than twelve (12) months. Notice of any lease, together with a copy of such lease and with such additional information as may be required by the Board, shall be given to the Board by the Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Governing Document.

EXHIBIT "D"

BYLAWS

OF

OLD BAILEY COMMUNITY ASSOCIATION, INC.

TABLE OF CONTENTS

<u>ARTICLE</u>		<u>PAGE</u>
Article I	Name Principal Office, and Definitions.....	1
1.1	Name.....	1
1.2	Principal Office.....	1
1.3	Definitions.....	1
Article II	Association: Membership, Meetings, Quorum, Voting, Proxies.	1
2.1	Members.....	1
2.2	Notice of Ownership.....	1
2.3	Place of Meetings.....	1
2.4	Annual Meetings.....	1
2.5	Special Meetings.....	2
2.6	Notice of Meetings.....	2
2.7	Waiver of Notice.....	2
2.8	Adjournment of Meetings.....	2
2.9	Voting.....	2
2.10	Authority of Person Voting.....	2
2.11	Proxies.....	3
2.12	Majority.....	3
2.13	Quorum.....	3
2.14	Conduct of Meetings.....	3
2.15	Action Without a Meeting.....	3
Article III	Board of Directors: Number, Powers, Meetings.....	4
A. Composition and Selection.....		4
3.1	Governing Body; Composition.....	4
3.2	Number of Directors.....	4
3.3	Nomination and Election Procedures.....	4
3.4	Election and Term of Office.....	4
3.5	Removal of Director and Vacancies.....	5
B. Meetings.....		5
3.6	Annual Meetings.....	5
3.7	Regular Meetings.....	5
3.8	Special Meetings.....	5
3.9	Notices; Waiver of Notice.....	6
3.10	Telephonic Participation in Meetings.....	6
3.11	Quorum of Board of Directors.....	6
3.12	Compensation.....	7
3.13	Conduct of Meetings.....	7
3.14	Open Meetings.....	7
3.15	Action Without a Formal Meeting.....	7
C. Powers and Duties.....		7
3.16	Powers.....	7
3.17	Duties.....	8
3.18	Right of Declarant to Disapprove Actions.....	9
3.19	Management.....	10
3.20	Accounts and Reports.....	10
3.21	Borrowing.....	11
3.22	Right to Contract.....	11
3.23	Enforcement.....	11

3.24	Board Standards.....	12
3.25	Board Training Seminar.....	12
Article IV	Officers.....	12
4.1	Officers.....	12
4.2	Election and Term of Office.....	12
4.3	Removal and Vacancies.....	12
4.4	Powers and Duties.....	12
4.5	Resignation.....	13
4.6	Agreements, Contracts, Deeds, Leases, Checks, Etc.....	13
4.7	Compensation.....	13
Article V	Committees.....	13
Article VI	Miscellaneous.....	13
6.1	Fiscal Year.....	13
6.2	Parliamentary Rules.....	13
6.3	Conflicts.....	13
6.4	Books and Records.....	13
6.5	Notices.....	14
6.6	Amendments.....	14

BYLAWS
OF
OLD BAILEY COMMUNITY ASSOCIATION, INC.
A South Carolina Nonprofit Corporation

Pursuant to the provisions of the South Carolina Nonprofit Corporation Code, the Board of Directors of Old Bailey Community Association, Inc., a South Carolina nonprofit corporation, has or intends to adopt the following Bylaws for such corporation.

ARTICLE I
NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1.1 Name. The name of the corporation is Old Bailey Community Association, Inc. (the "**Association**").

1.2 Principal Office. The Association's principal office shall be located in Jasper County, South Carolina. The Association may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may determine or as the Association's affairs require.

1.3 Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Old Bailey filed in the Register of Deeds of Jasper County, South Carolina, as it may be supplemented and amended (the "Declaration"), unless the context indicates otherwise.

ARTICLE II
ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

2.1 Members. Each Owner of a Lot (as defined in the Declaration) shall be a Member of the Association. The Association shall have two (2) classes of membership as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference subject to such terms and conditions as set forth in the Declaration and these Bylaws.

2.2 Notice of Ownership. In order to confirm Membership, upon purchasing a Lot in the Community, the Owner of such Lot shall promptly furnish to the Association a legible copy of the instrument conveying ownership to the Owner, which copy shall be maintained in the records of the Association.

2.3 Place of Meetings. The Association meetings shall be held at the Association's principal office or at such other suitable place convenient to the Members as the Board may designate.

2.4 Annual Meetings. The first Association meeting, whether a regular or special meeting, shall be held not later than One hundred twenty days (120) days after the Class "B" Membership shall cease to exist and be converted to a Class "A" Membership as set for the Declaration, unless otherwise set by Declarant. Meetings shall be of the Members. Subsequent regular annual meetings shall be held each year at a time set by the Board.

2.5 Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board or upon a petition signed by at least fifty percent (50%) of the voting interest of the Members. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

2.6 Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the Owner of each Lot (as shown in the records of the Association) a notice of each annual or special meeting of the Association stating the date, time and place where it is to be held and in the notice of a special meeting, the purpose thereof. If an Owner wishes notice to be given at an address other than the Lot, the Owner shall designate by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section 2.6 shall be considered service of notice. Notices for annual and special meetings shall be served at least ten (10) days but not more than sixty (60) days in advance of such meeting.

If mailed, the notice of a meeting shall be deemed to be delivered upon the earliest of: (a) the date received; (b) five (5) days after its deposit in the United States mail, as evidenced by its postmark, if mailed with first class postage affixed; (c) the date shown on the return receipt, if mailed by registered or certified mail, return receipt requested, and signed by or on behalf of the addressee; or (d) thirty (30) days after its deposit in the United States mail, as evidenced by the postmark, if mailed with other than first class, registered, or certified postage affixed; or (e) sent to the email address provided by the Owner.

2.7 Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.8 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At any such adjourned meeting, the necessary quorum shall be eighty (80%) percent of the votes represented by the Members who were present either in person or by proxy at the original meeting, any business which might have been transacted at the meeting originally called may be transacted without further notice. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed in Section 2.6.

2.9 Voting. The Declaration shall set forth the Member's voting rights; such voting rights provisions are specifically incorporated by this reference.

2.10 Authority of Person Voting. The Board shall have the authority to determine, in its sole discretion, whether any person claiming to have authority to vote on behalf of or as a Member has such authority. If the Member is a corporation, partnership, limited liability company, trust, or similar entity, the Association may require the person purporting to vote on behalf of such Member to provide reasonable evidence that such person (the "**Representative**") has authority to vote for such Member. Unless the authority of the Representative is challenged in writing at or before the time of voting, or is challenged orally at the time of voting, the Association may accept such Representative as a person authorized to vote

for such Member, regardless of whether evidence of such authority is provided.

2.11 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall identify the Lot for which it is given and shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Proxies shall be signed by the Member or the Member's attorney-in-fact. Every proxy shall be revocable and shall automatically cease upon the conveyance by the Member of such Member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast. In the event of any conflict between two (2) or more proxies purporting to cover the same voting rights the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

2.12 Majority. As used in these Bylaws, the term "majority" shall mean those votes of the Members, or other group as the context may indicate, totaling more than fifty percent (50%) of the votes of Members at a meeting at which a quorum is present.

2.13 Quorum. At all meetings of Members, regular or special, the presence, in person or by proxy, of at least fifty percent (50%) of the total eligible votes of the Association shall constitute a quorum. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. Any amendment to this Section 2.13 shall comply with the provisions of the South Carolina Nonprofit Corporation Code.

2.14 Conduct of Meetings. The President shall preside over all Association meetings, and the Secretary shall keep the minutes of the meetings and record in the minute book all resolutions adopted and all other transactions occurring at such meetings. Further, Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation, the Declaration, these Bylaws or the statutes of the State of South Carolina.

2.15 Action Without a Meeting. Unless otherwise prohibited by South Carolina law, any action to be taken at a meeting of the Members, or which may be taken at a meeting of the Members, may be taken without a meeting if written consents or by ballot cast by mail without a meeting, in accordance with the following procedure:

(a) The Secretary shall send written notice of the proposed action for which consent is requested to each Member entitled to vote thereon at least ten (10) days prior to the deadline for returning the ballots or consents. The notice shall be accompanied by a ballot or consent form which:

- (i) describes the proposed action;
- (ii) provides a place to indicate, in the case of a ballot, how the Owner's vote is to be cast, or in the case of a consent, the Owner's approval or disapproval of, or consent to the proposed action;
- (iii) provides a method of identifying the Owner and the Lot for which the ballot is cast or consent is given, and in the case of a consent, a place for the Owner's signature; and
- (iv) indicates the address to which completed forms should be returned and the

deadline for returning them, if any.

(b) The proposed action shall be deemed approved if ballots or consents approving the action are received from Members setting forth the action so taken are signed by Members holding at least eighty percent (80%) of the Association's voting power. Action taken without a meeting shall be effective on the date that the last consent is executed or, if required, the date Declarant consents to the action unless a later effective date is specified therein. Such ballots or consents shall have the same force and effect as a vote of the Members at a meeting. Each signed consent shall be delivered to the Association and shall be included in the minutes of the meetings of the Members filed in the permanent records of the Association.

ARTICLE III BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

3.1 Governing Body; Composition. The business and affairs of the Association shall be governed by a Board of Directors. Each director shall have one equal vote. Except with respect to directors appointed by Declarant during the Declarant Control Period, the directors shall be Members of the Community; provided, however, that no two (2) persons being co-Owners of any one (1) Lot may serve on the Board at the same time. In the case of a Member which is not an individual, any officer, director, partner, member or manager of a limited liability company, or trust officer of such Member shall be eligible to serve as a director unless a written notice to the Association signed by such Member specifies otherwise; however, no Member may have more than one (1) such representative on the Board at any one time, even if such Member owns more than one (1) Lot, except in the case of directors appointed by Declarant. Owners not in good standing with the Association and whose dues are not paid current are not allowed to serve as a director.

3.2 Number of Directors. The initial Board shall consist of three (3) directors designated in the Articles of Incorporation, and notwithstanding anything to the contrary stated in these Bylaws, during the Declarant Control Period, Declarant shall appoint all directors of the initial Board. Thereafter, the Board shall consist of three (3) to seven (7) directors, as provided in Section 3.4 below, but shall remain an odd number.

3.3 Nomination and Election Procedures. Except with respect to directors appointed by Declarant during the Declarant Control Period, elected directors shall be nominated from the floor at a meeting of the Members and may also be nominated by a nominating committee, if such a committee is established by the Board, but no such committee need be appointed by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3.4 Election and Term of Office.

(a) During the Declarant Control Period. During the Declarant Control Period, Declarant shall have the sole and exclusive right to appoint and to remove the directors of the Association. Notwithstanding its right to appoint and remove officers and directors of the Association, Declarant reserves the right to approve or disapprove specified actions of the Association as provided in Section 3.19 herein.

(b) Subsequent to the Declarant Control Period. Subsequent to the Declarant Control Period, directors shall be elected by the Members and hold office as follows:

(i) The Association shall call a special meeting to be held at which Members shall elect three (3) directors to serve until the next annual meeting of the Members. At the next annual

meeting of the Members following termination of the Declarant Control Period, the Members shall elect two (2) directors for an initial term of two (2) years and one (1) director for an initial term of one (1) year. At the expiration of the initial term of office of each director, a successor shall be elected to serve for a term of two (2) years. The directors shall hold office until their respective successors shall have been elected by the Association.

(ii) Thereafter, directors shall be elected at the Association's annual meeting. Each Member shall cast the entire vote assigned to his Lot for each position to be filled. There shall be no cumulative voting. The number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

(iii) Subsequent to the Declarant Control Period, upon the affirmative vote of sixty-seven (67%) percent of the Members, the number of directors may be expanded to any odd number up to and including seven (7) directors. In the event the Members vote to expand the Board, the additional directors shall each serve a term of two (2) years on a staggered basis such that in one year three (3) directors would be elected for a term of two (2) years, and the following year either two (2) or four (4) directors would be elected for a term of two (2) years each, depending on total number of directors.

3.5 Removal of Directors and Vacancies. At any regular or special meeting of the Association duly called, any one (1) or more directors may be removed, with or without cause, by a vote of a majority of the voting interest of the Members and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Members shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who had three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment or fine for more than thirty (30) days may be removed by a majority vote of the remaining directors at a meeting.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members may elect a successor for the remainder of the term.

This Section 3.5 shall not apply to directors appointed by Declarant. Declarant shall be entitled to appoint or remove Directors at any time during the Declarant Control Period. Thereafter, Declarant may appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a director it has appointed.

B. Meetings.

3.6 Annual Meetings. The Board shall hold an annual meeting within fourteen (14) days following each annual meeting of the Members at such time and place the Board shall fix.

3.7 Regular Meetings. The Board may hold regular meetings at such time and place a majority of the directors shall determine, but the Board shall hold at least four (4) such meetings during each fiscal year with at least one per quarter. The Board shall give notice of the time and place of a regular meeting to directors not less than six (6) days prior to the meeting; provided, the Board need not give notice of a meeting to any director who has signed a waiver of notice or a written consent to holding the meeting.

3.8 Special Meetings. The Board may hold special meetings when called by written notice signed by the President, the Vice President, or any two (2) directors. The notice shall specify the time and

place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at the director's address as shown on the Association's records. Notices sent by first class mail shall be deposited into a United States mailbox at least six (6) business days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic communication shall be delivered or communicated at least seventy-two (72) hours before the time set for the meeting. Notices of such meetings shall also be delivered to the Members contemporaneously with the directors' notices.

3.9 Notices; Waiver of Notice.

(a) Notices of meetings of the Board shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The notice shall be given to each director by:

- (i) personal delivery;
- (ii) first class mail, postage prepaid;
- (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or
- (iv) facsimile, computer, or other electronic communication device, with confirmation of transmission.

All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the records of the Association. Notices of special meetings of the Board shall also be posted in a prominent place within the Community. Notices sent by first class mail shall be deposited into a United States mailbox at least five (5) business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least seventy-two (72) hours before the time set for the meeting.

(b) The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present; and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10 Telephonic Participation in Meetings. Members of the Board or any committee the Board designates may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 3.10 shall constitute presence at such meeting.

3.11 Quorum of Board of Directors. At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless the Bylaws or the Declaration specifically provide otherwise. A meeting at which a quorum is present initially may continue

to transact business notwithstanding the withdrawal of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present the Board may transact without further notice any business which it might have transacted at the original meeting. Any amendments to this Section 3.11 shall comply with the provisions of the Section 33-31-1024 of the South Carolina Nonprofit Corporation Code.

3.12 Compensation. Directors shall not receive any compensation from the Association for acting as such. The Association may reimburse any director for expenses incurred on the Association's behalf. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies he or she furnishes to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director makes his or her interest known to the Board prior to entering into such contract and a majority of the Board, excluding the interested director, approves such contract.

3.13 Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.14 Open Meetings. Subject to the provisions of Section 3.15, all Board meetings shall be open to all Members but attendees other than directors may not participate in any discussion or deliberation unless a director requests permission for that person to speak. In such case, the President may limit the time such person may speak. Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session and may exclude persons other than directors. Only the following matters are open for discussion in executive session:

- (a) matters pertaining to the Association employees or involving the employment, promotion, discipline, or dismissal of an officer, agent or employee of the Association;
- (b) consultation with legal counsel regarding disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) investigative proceedings concerning possible or actual criminal conduct;
- (d) matters subject to specific constitutional, statutory; or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and
- (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

3.15 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors, or any action that may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.16 Powers. The Board shall have all of the powers and duties necessary for managing the business and affairs of the Association and for performing all responsibilities and exercising all of the Association's rights as set forth in the Governing Documents and as provided by law. The Board may do

or cause to be done all acts and things not limited by the Governing Documents or South Carolina law to be done and exercised exclusively by the Members.

3.17 Duties. The Board's duties shall include, without limitation:

(a) causing to be prepared and adopting, in accordance with the Declaration, an annual budget establishing each Member's share of the Common Expenses;

(b) levying and collecting such Assessments from the Members;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility and entering into agreements with adjacent property owners to allocate maintenance responsibilities and costs of certain public rights-of-way and other property within or adjacent to the Community;

(d) designating, hiring, and dismissing the personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' business judgment, in depositories other than banks;

(f) making and amending Rules and Regulations in accordance with the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association's obligation in this regard shall be conditioned in the manner provided in Section 8.5 of the Declaration;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Community;

(o) indemnifying an Association director, officer, or ARC member, or former Association director, officer, or ARC member to the extent such indemnity is required by South Carolina law, the Articles of Incorporation, or the Declaration; and

(p) assisting in the resolution of disputes between Owners and others without litigation, as set forth in the Declaration.

3.19 Right of Declarant to Disapprove Actions. During the Declarant Control Period, Declarant shall have a right to disapprove any action, policy, or program of the Association, the Board, and any committee which, in Declarant's sole judgment, would tend to impair rights of Declarant or a Builder under the Declaration or these Bylaws, interfere with the development or construction of any portion of the Community, or diminish the level of services the Association provides.

(a) The Association shall give Declarant written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board, or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, which notice complies as to the Board meetings with Sections 3.7, 3.8, 3.9, and 3.10 and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Association shall give Declarant the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

Declarant, its representatives, or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. Declarant, acting through any officer, director, agent or authorized representative, may exercise its right to disapprove at any time within ten (10) days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of the Board, the Association, or any committee. Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repair or any expenditure required to comply with applicable laws and regulations.

3.20 Management. The Board may employ for the Association a professional management company at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policy-making authority. Declarant or an affiliate of Declarant may be employed as managing agent or manager.

The Board may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

3.21 Accounts and Reports. The following management standards of performance shall be

followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) the Association's cash accounts shall not be commingled with any other accounts;
- (d) the managing agent shall accept no remuneration from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, services fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;
- (e) the managing agent shall disclose to the Board promptly any financial or other interest which the managing agent may have in any firm providing goods or services to the Association; and
- (f) an annual report consisting of at least the following shall be made available to all Members within one-hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant; however, upon written request of any holder, guarantor, or insurer of any first Mortgage on a Lot, the Association shall provide an audited financial statement. During the Declarant Control Period, the annual report shall include certified financial statement.

3.22 Borrowing. The Association shall have the power to borrow money for any legal purpose; however, the Board shall obtain Member approval in the same manner provided in Section 9.2 of the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed twenty percent (20%) of the Association's budgeted gross expenses for that fiscal year. No Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of Members representing at least eighty percent (80%) of the total vote in the Association.

3.23 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with residential or nonresidential owners' associations within the outside the Community; however, any common management agreement shall require the Board's consent.

3.24 Enforcement. In addition to such other rights as are specifically granted under the Declaration, the Board shall have the power to impose reasonable monetary fines, which shall constitute a lien upon the Lot of the violator, and to suspend an Owner's right to vote for violation of any duty imposed under the Governing Documents. In addition, the Board may suspend any services the Association provides to an Owner or an Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charges owed to the Association. In the event that any occupant, tenant, employee, guest or invitee of a Lot violates the Governing Documents and a fine is imposed, the Association shall first assess the fine against the occupant, tenant, employee, guest, or invitee; however, if the occupant does not pay the fine within the time period the Board sets, the Owner shall pay the fine upon notice from the Association. The Board's failure to enforce any provision of the Governing Documents shall not be deemed a waiver of the Board's right to do so thereafter.

(a) Notice. Prior to imposition of certain sanctions requiring notice under the Declaration, the Board, or its delegate, shall serve the alleged violator with written notice describing (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a period of not less than ten (10) days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; however, the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article III, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that are in violation of parking rules) or, following compliance with the dispute resolution procedures set forth in Article 13 of the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessary compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or Person responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry onto a Lot for purposes or exercising this power of self-help shall not be deemed as trespass.

3.25 Board Standards. While conducting the Association's business affairs, the Board shall be protected by the business judgment rule. The business judgment rule protects a director appointed by Declarant from personal liability so long as the director: (i) serves in a manner the director believes to be in the best interests of the Association and the Members; or (ii) serves in good faith. The business judgment rule protects a director not appointed by Declarant from liability for actions taken or omissions made in the performance of such director's duties, except for liability for wanton and willful acts or omissions.

In fulfilling its governance responsibilities, the Board's actions shall be governed and tested by the rule of reasonableness. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

The burden of proof in any challenge to an action or inaction by a director shall be on the party asserting liability.

The operational standards of the Board and any committee the Board appoints shall be the requirements set forth in the Governing Documents or the minimum standards which Declarant, the Board, and the Architectural Review Committee may establish. Such standard shall, in all cases, meet or exceed the standards set by Declarant and the Board during the Declarant Control Period. Operational standards may evolve as the needs and demands of the Community change.

3.26 Board Training Seminar. Each director is encouraged to complete a board training seminar within such director's first three (3) months of directorship. Such seminar shall educate the directors about

their responsibilities and duties. The seminar may be in live, video or audio tape, or other format.

Article IV Officers

4.1 Officers. The Association's officers shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the Board members; other officers may but need not be Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. The same person may hold any two (2) or more offices, except the offices of the President and Secretary. It is anticipated, but not required, that the same person will hold the offices of Secretary and Treasurer. Moreover, the Secretary shall be responsible for preparing minutes of all directors' and Members' meetings and for authenticating records of the corporation.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first Board meeting following each annual meeting of the Members, to serve until their successors are elected.

4.3 Removal and Vacancies. The Board may remove any officer whenever in its judgment the Association's interests will be served and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4 Powers and Duties. The Association's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be the Association's chief executive officer. The Secretary shall prepare, execute, certify, and Record amendments to the Declaration as provided in Section 16.4 of the Declaration. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent or both.

4.5 Resignation. 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 the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks and other Association instruments shall be executed by at least two (2) officers or by such other person or persons as a Board resolution may designate.

4.7 Compensation. Officers' compensation shall be subject to the same limitations as directors' compensation under Section 3.12.

Article V Committees

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

Article VI
Miscellaneous

6.1 Fiscal Year. The Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (then current edition) shall govern the conduct of the Association proceedings when not in conflict with South Carolina law or the Governing Documents.

6.3 Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection by any holder, insurer, or guarantor of a first Mortgage on a Lot, any Member, or the duly appointed representative of any of the foregoing, at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Declaration, Bylaws, and Articles of Incorporation, including any amendments, any Supplemental Declarations, the Rules and Regulations, the membership register, books of account, and the minutes of meetings of the Members, the Board and committees. The Board shall provide for such inspection to take place at the Association's office or at such other place within the Community as the Board shall designate.

(b) Rules for Inspection. The Board shall establish rules with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and (iii) charges for reproducing copies of documents requested if such request be granted.

(c) Inspection by Directors. Every director shall have the absolute right, at any reasonable time, to inspect all Association books, records, and documents and the physical properties the Association owns or controls. The director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

6.5 Notices. Unless the Declaration or these Bylaws otherwise provide, all notices, demands, bills, statements, or other communications under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class 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 address of the Lot of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section 6.5.

6.6 Amendments.

(a) By Declarant. During the Declarant Control Period, Declarant unilaterally may amend these Bylaws for any purpose. Thereafter, Declarant or the Board unilaterally may amend these Bylaws at any time, and from time to time, if such amendment is necessary: (i) to bring any provision into compliance

with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; or (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots; provided, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing.

(b) By Members Generally. Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing greater than sixty-seven percent (67%) of the total votes in the Association, and the consent of Declarant during the Declarant Control Period. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) FHA/VA Approval of Amendments. The U.S. Department of Veterans Affairs (if it is guaranteeing Mortgages in the Community or has issued a project approval for the guaranteeing of such Mortgages) and/or the U.S. Department of Housing and Urban Development (if it is then insuring any Mortgage in the Community or has issued a project approval for the insuring of such Mortgages) shall have the right to veto amendments to these Bylaws during the Declarant Control Period.

(d) Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon Recordation unless the amendment specifies a later effective date. Any procedural challenge to an amendment must be made within one (1) year of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws. The Secretary shall prepare, execute, certify, and Record amendments to these Bylaws.

No amendment may remove, revoke, or modify any of Declarant's rights or privileges without its written consent during the Declarant Control Period.

[Remainder of Page Left Blank Intentionally]

Certification

I, undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Old Bailey Community Association, Inc., a South Carolina nonprofit corporation;

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the ____ day of _____, 202__.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this ____ day of _____, 202__.

Secretary [SEAL]

EXHIBIT "E"

Rules of Arbitration

1. Claimant shall submit a Claim to arbitration under these Rules of Arbitration by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought and Claimant's submission of the Claim to arbitration ("Arbitration Notice").

2. The Parties shall select arbitrators ("Party Appointed Arbitrators") as follows: all the Claimants shall agree upon one (1) Party Appointed Arbitrator, and all the Respondents shall agree upon one Party Appointed Arbitrator. The Party Appointed Arbitrators shall, by agreement, select one neutral arbitrator ("Neutral") so that the total arbitration panel ("Panel") has three (3) arbitrators.

3. If the Panel is not selected under Rule 2 within forty-five (45) days from the date of the Arbitration Notice, any party may notify the nearest chapter of The Community Association Institute, for any dispute arising under the Governing Documents, or the American Arbitration Association, or such other independent body providing arbitration services, for any dispute relating to the design or construction of improvements on the Community, which shall appoint one Neutral (the "Appointed Neutral"), notifying the Appointed Neutral and all Parties in writing of such appointment. The Appointed Neutral shall thereafter be the sole arbitrator and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.

4. No person may serve as a Neutral in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral or Appointed Neutral shall immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Neutral or Appointed Neutral after receipt of that Neutral's Bias Disclosure, such Neutral or Appointed Neutral shall be replaced in the same manner in which that Neutral or Appointed Neutral was selected.

5. The Appointed Neutral or Neutral, as the case may be, (the "Arbitrator") shall fix the date, time, and place for the hearing. The place of the hearing shall be within the Community unless otherwise agreed by the Parties. In fixing the date of the hearing, or in continuing a hearing, the Arbitrator shall take into consideration the amount of time reasonably required to determine Claimant's damages accurately.

6. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings. In the event the Respondent fails to participate in the arbitration proceeding, the Arbitrator may not enter an Award by default but shall hear Claimant's case and decide accordingly.

7. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings. The Arbitrator shall determine any relevant legal issues, including whether all indispensable parties are Bound Parties or whether the claim is barred by the statute of limitations.

8. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties. The Arbitrator may issue such orders as he or she deems necessary to safeguard rights of the Parties in the dispute without prejudice to the rights of the Parties or the final determination of the dispute.

9. If the Arbitrator decides that he or she has insufficient expertise to determine a relevant issue raised during arbitration, the Arbitrator may retain the services of an independent expert who will assist the Arbitrator in making the necessary determination. The scope of such professional's assistance shall be determined by the Arbitrator in his or her own discretion. Such independent professional must not have any bias or financial or personal interest in the outcome of the arbitration and shall immediately notify the Parties of any such bias or interest by delivering a Bias Disclosure to the Parties. If any Party objects to the service of

any professional after receipt of a Bias Disclosure, such professional shall be replaced by another independent licensed professional selected by the Arbitrator.

10. No formal discovery shall be conducted in the absence of order of the Arbitrator or express written agreement among all the Parties. The only evidence to be presented at the hearing shall be that which is disclosed to all Parties at least 30 days prior to the hearing; however, no Party shall deliberately withhold or refuse to disclose any evidence which is relevant and material to the Claim and is not otherwise privileged. The Parties may offer such evidence as is relevant and material to the Claim and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.

11. The Arbitrator shall declare the hearings closed when he or she is satisfied the record is complete.

12. There will be no post hearing briefs.

13. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than fourteen (14) days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, signed by the Arbitrator, and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.

14. If there is more than one arbitrator, all decisions of the Panel, including the Award, shall be by majority vote. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.