

STATE OF SOUTH CAROLINA)	DECLARATIONS OF COVENANTS,
)	CONDITIONS AND RESTRICTIONS FOR
COUNTY OF PICKENS)	PINEHERST TOWNHOMES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PINEHERST TOWNHOMES are made on the date hereinafter set forth by PINEHERST TOWNHOMES, LLC, a South Carolina limited liability company authorized to do Business in the State of South Carolina, hereinafter called "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Pickens South Carolina, which is more particularly described as Exhibit A, attached hereto and incorporated herein by reference; and,

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

ARTICLE I.
DEFINITIONS

Section 1. "Association" shall mean and refer to **PINEHERST TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**, a South Carolina non-profit corporation, its successors and assigns.

Section 2. **“Board of Directors” or “Board”** shall mean and refer to the Board of Directors of the Association and any board, group or entity of the successor or assign to the Association serving in a comparable capacity to the Board of Directors of the Association.

Section 3. "By-Laws of the Association" or "By-Laws" shall mean and refer to those By-Laws of the Association attached hereto as Exhibit B.

Section 4. **“Common Area”** shall mean those portions of the Properties designated and intended for the common use and enjoyment of all Owners. The Common Area shall not to be owned by the Association, but instead shall be comprised all portion of each Lot which is not designated as being part of a Townhome. The Common Area shall include (i) the driveways, parking lot and the parking spaces located in the parking lot located on the Properties, (ii) the sidewalks, walkways, terraces and fences located on the Properties, (iii) all plants, trees, shrubbery and other landscaping and the sprinkler system located on the Properties, (iv) the trash dumpster located on the Properties, (v) the underground detention pond and drainage system located on the Properties, and (v) all exterior lighting located on the Properties (except for outdoor porch and flood lights controlled within a Townhome). Without limiting the foregoing, the Common Area is designated on the Development Plan. The Association is responsible for management and maintenance of all Common Area.

Section 5. “**Declarant**” shall mean and refer to the Pineherst Townhomes, LLC, a South Carolina limited liability Company, its successors and assigns, as long as it owns at least one (1) Lot or during the Development Period whichever is later. No successor or assignee of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically set forth in an instrument of succession (as provided in Article XII, Section 7 below) or assignment designating a party as Declarant hereunder or which pass by operation of law.

Section 6. “**Declarant Control Period**” shall mean and refer to that period of time during which Declarant controls the operation and management of the Association. The duration of Declarant Control Period will be from the date this Declaration is recorded to the date which is sixty (60) days after title to one hundred (100%) percent of the Lots that may be created in Development has been conveyed to Owners other than Declarant or affiliates of Declarant.

Section 7. “**Development**” shall mean and refer to the Properties and all improvements located or constructed thereon, and being a part of the overall plan, from time to time existing hereunder, for the real estate development known as “Pineherst Towhomes.”

Section 8. “**Development Plan**” shall mean and refer to the site plan for the Development attached to this Declaration as Exhibit C-1 and incorporated herein.

Section 9. “**Development Period**” shall mean and refer to the period commencing on the date of this Declaration first set forth above and terminating on the earlier of (a) December 31, 2020; or (b) any earlier date specified by Declarant in a written notice to the Association that the Development Period is to terminate on that date. If Declarant is delayed in the improvement and development of the Properties due to a sewer, water or building permit moratorium or other cause or event beyond Declarant’s control, then the aforesaid period shall be extended for the length of the delay or two (2) years, whichever is less. The Development Period is for a term of years and does not require that Declarant own land described in Exhibit A. The Development Period is different from and may be longer than Declarant Control Period.

Section 10. “**Land Development Activity**” shall mean and refer to any building, construction, reconstruction or repair of a Townhome, driveways, parking lot curbing, sidewalks, utility services, landscaping or any other improvement on a Lot or any other portion of the Properties by Declarant and/or by a Builder, if granted approval in writing by Declarant.

Section 11. “**Lot**” shall mean and refer to any portion of the Properties on which a Townhome shall be constructed to be known as Lots A1 – A10 to be shown on a final plat or plats thereof to be recorded.

Section 12. “**Mortgagee**” shall mean and refer to an individual, bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate or mortgage investment trust, and any lender, having a mortgage lien on the Properties or any part or parts thereof such as one or more Lots.

Section 13. “**Occupant**” shall mean any person occupying all or any portion of a Townhome for any period of time, regardless of whether such person is a tenant or the Owner of such Property.

Section 14. “**Owner**” shall mean and refer to the record owner, whether one or more persons or entities of a fee simple title to any Townhome which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 15. **"Properties"** shall mean and refer to that certain real properties described on Exhibit A attached hereto and incorporated herein by reference.

Section 16. **"Townhome"** shall mean and refer to any improvement to be located on a Lot intended for use and occupancy as a residence including but not limited to residences, decks, stoop and porches.

ARTICLE II PROPERTY RIGHTS

Section 1. Easements. The Association, all present and future Owners and Occupants, the Declarant and their respective successors, assigns, designees, invitees, licensees and guests are hereby granted a perpetual easement over, through and across and a license to use the areas of the Common Area in the manner for which such is ordinarily intended, subject however to the terms of this Declaration. In addition to the foregoing, all Lots shall be subject to the following easements in favor of the Declarant, the Owners, the Association and/or any other person authorized by the Association, as the case may be, which shall be both for the benefit and burden and shall run with the title to each Lot:

(a) **Access.** Subject to the provisions of the Declaration, the Association, all present and future Owners and Occupants, the Declarant and their respective successors, assigns, designees, invitees, licensees and guests are hereby granted a perpetual, perpetual, permanent, assignable, transmissible, appurtenant, non-exclusive easement for vehicular and pedestrian ingress and egress over and across drives easement over, through and across the Common Area upon such drives, paths and ways as are suitable for pedestrian and/or vehicular traffic (as the case may be) and a license to use the same.

(b) **Parking.** Each Owner, by accepting title to a Lot, expressly acknowledges that the parking areas within the Development and located on each Lot are a part of the Common Area. Subject to the provisions of the Declaration and each Owner's exclusive right to the Exclusive Parking Spaces, as provided below, the Association, all present and future Owners and Occupants, the Declarant and their respective successors, assigns, designees, invitees, licensees and guests are hereby granted a perpetual, permanent, assignable, transmissible, appurtenant, parking easement for the right to park vehicles over and upon those portions of the Common Area being designated as parking areas on the Development Plan. Each Owner shall have the exclusive right to use the three (3) vehicular parking spaces located in the parking lot within the Development designated to such Owner's Lot on the Development Plan and further described in Exhibit C-2 attached hereto and incorporated by reference herein (collectively, the "Exclusive Parking Spaces"). No Owner (or any tenant, occupant, guest, contractor or other invitee of Owner's Lot) shall use any of the Exclusive Parking Spaces not designated to such Owner's Lot on the Development Plan. All unassigned and/or visitor parking spaces shall be available on a first-come, first-served basis. No parking shall be allowed in any portion of the Development which is not a designated parking space. No commercial truck, commercial bus, taxicabs or other commercial vehicle of any kind, boats, trailers, campers, recreational vehicles and motor homes shall be parked in any visible location on the Properties without the prior written approval of the Board. Commercial vehicles shall be deemed to include cars and vans in styles normally used for private purposes but painted with or carrying commercial advertising, logos, or business names exceeding five (5) square feet per side or containing visible commercial materials, cargo, tools or equipment on the exterior of the vehicle or that extend beyond the length or width of the vehicle. No oversized/commercial vehicle (a vehicle wider than and/or longer than a standard parking space, 19 feet maximum, any vehicle that has more than two (2) axles, or those vehicles greater than 6,000 pounds) may park on the Properties. No disabled vehicle or vehicle on which

current registration plates or other required permits such as inspection stickers are not displayed shall be parked on any Lot or on the Common Area. The repair or extraordinary maintenance of vehicles shall not be carried out in a manner that is visible from any Lot or on the Common Area. The Association may enforce the provisions of this Section by towing any non-complying vehicle at the vehicle owner's sole risk and expense. This provision shall not preclude commercial vehicles located on the property temporarily (less than 24 hours) to provide services to Declarant, the Association, an Owner or an Occupant. The Association shall have the right to regulate parking within the Development by promulgating additional rules and regulations, and may enforce such regulations or restrictions and the provisions of this Declaration by levying enforcement charges, having vehicles towed away or taking such other lawful action as it deems appropriate. The provisions of this section shall not apply to Declarant or its duly authorized agents, representatives, contractors, suppliers or employees.

(c) **General Repairs.** Easements through the Common Areas for maintenance, repair and replacement of the Common Area and any property which is the responsibility of the Association or Owner to maintain or repair (if any).

(e) **Access; Emergency.** The Association shall have the irrevocable easement, right, and license, to be exercised by its duly authorized officers or agents, to enter or have access to each Townhomes and any Common Area from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Area therein or accessible therefrom for which the Association is responsible or to otherwise perform their duties; and at any time without prior notice for making emergency repairs therein necessary to prevent damage to the Common Area or to another Townhome or to otherwise perform their emergency duties, regardless of whether or not the Owner or Occupant of the Townhome is present.

The Properties submitted to this Declaration is subject to all conditions, limitations, restrictions, reservations and all other matters of record, the rights of the United States of America, the State of South Carolina, the County of Pickens, and any governmental authority or agency including any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements for ingress and egress, for pedestrian and vehicular purposes and for utility services and drains which now exist or are hereafter granted.

Each of the foregoing easements shall be appurtenant to and shall pass with the title to every Lot, subject to the following limitations and provisions;

(1) The right of the Association to suspend the voting rights of any Owner for any period during which any assessment against his Townhome remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(2) The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon which regulations may further restrict the use of the Common Area.

ARTICLE III.

ASSOCIATION: MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

Class A: Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B Member shall be entitled initially to three (3) votes for each Lot owned by the Class A Members plus one (1) vote. The Class B membership shall terminate and become converted to Class A membership upon the termination of Declarant Control Period.

Section 3. Homeowner's Association. The Association shall be a non-profit corporation organized under the laws of the State of South Carolina. The Association shall be managed by a Board of three (3) Directors who need not be members of the Association. As long as Declarant has the status of a Class B Member, it shall have the right to appoint three (3) Directors. Directors shall be elected in accordance with Article III of the By-Laws of the Association. The number of directors shall be determined in accordance with the provisions of the By-Laws of the Association. The initial mailing address of the Board shall be: care of Thomas Winkopp, 391 College Avenue, Suite 506, Clemson, South Carolina, 29631.

ARTICLE IV.

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association, (1) annual assessments or charges, and (2) special assessments for capital improvements, and costs in excess of insurance proceeds, and (3) working capital assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, security, safety and welfare of the residents in the Properties. In particular, the assessments shall be used for the procurement and maintenance of the blanket hazard and casualty insurance on the Properties, the exterior maintenance of the Townhomes situated on the Properties, for the maintenance of the Common Area, including the cost of repairs, replacements and additions, the maintenance and replacing of landscaping for the common area, the payment of taxes assessed against the common area, the payment of the termite bond on the Properties, and the procurement and payment for insurance related to the common areas.

Section 3. Maximum Monthly Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment shall not exceed \$200 per Townhome; provided however, the assessment for Class B member shall be, until such time as eighty (80%) percent of the Townhomes are sold to the third party purchasers, the shortfall in the operating budget of the Association as established by the Board of Directors.

From January 1 of the calendar year immediately following the first conveyance of a Lot to an Owner the maximum annual assessment shall be established by the Board of Directors and may be increased by the Board of Directors from time to time without approval by the membership.

Section 4. Special Assessments for Capital Improvements. In addition to the Annual assessments authorized above, the Association may levy, in any calendar year a special assessment for the purpose of defraying in whole or in part, the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including, fixtures and personal property related thereto, provided that any such assessment shall have the approval of sixty (60%) percent of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Repair and Replacement Reserve. As a part of any annual assessment the Board of Directors shall obtain from Owners contributions to capital on a regular basis, which contributions will be used to establish a replacement and repair reserve fund (the "Reserve Fund"). Such contributions shall be paid monthly or at such time as regular assessments are due and shall be in an amount to be designated from time to time by the Board of Directors. All of the funds shall be deposited in an account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America or certificates of deposit in a federally insured lending institution. Such funds also may, in the discretion of the Board of Directors, be invested in Money Market Funds which, although they themselves are not guaranteed by the United States Government, invest solely in United States Government securities (or in State bonds which are backed in principal by the State). The Reserve Fund may be expended only for the purpose of the replacement and repair of the Common Area and the exterior portions of the Townhomes. The Board of Directors shall specifically ensure that the Reserve Fund is adequately funded at all times to cover the cost of all necessary maintenance, repair or replacement of all of the private roads under its control within the Association. These funds shall be specifically earmarked for that purpose. In order to ensure that adequate funds are reserved for this purpose, the Board shall commission periodic inspections of the Common Area and those portions of the Townhomes required to be repaired and replaced by the Association at least every three (3) years and adjust the funds held in the Reserve Fund to cover any needed or anticipated maintenance, repairs or replacement of the same.

Section 6. Working Capital Fund. The Association shall collect a working capital contribution from each purchaser of a Lot (other than Declarant) at the time of closing on the Lot. Such contribution shall be equal the greater of (i) Two Hundred Fifty and No/100 Dollars and (ii) two (2) months of the annual assessments and shall be utilized for commencing business of the Association and providing the necessary working fund for it.

Section 5. Notice and Quorum for any action authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to case sixty (60%) percent of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at subsequent meeting shall be one-half (1/2) of the required quorum at the preceding. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots subject to assessment and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The Annual assessments provided for herein shall be collected on a monthly basis and shall commence as to a Lot at the time the Lot is conveyed by Declarant to a third party Purchaser. At least thirty (30) days in advance of each annual assessment period, the Board of directors shall fix the amount of the annual assessment against each Lot and send written notice of each assessment to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an office of the association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the rate of eighteen (18%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorneys' fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for any of the assessments provided for herein by non-use of the Common Area or abandonment of his Townhome.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall subordinate to the lien of any first mortgage on any portion of the Properties. Sale or transfer of any Lot shall not affect the assessment lien or lien provided for in the preceding section. However, the sale or transfer of any Lot pursuant to a foreclosure of a first mortgage or any conveyance or assignment in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage on any portion of the Properties.

Section 10. Exempt Property. All property dedicated to and accepted by a local public authority and all properties owned by the Association. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V.

ARCHITECTURAL CONTROL

No exterior addition to or change or alteration to any Townhome shall be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to an and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors, or by an architectural committee composed of three (3) or more representatives appointed by the Board, and during the Development Period, the Declarant. No improvements may be constructed or any equipment permanently placed in the Common Area without the prior written consent of the Board of Directors, and during the Development Period, the Declarant. Without limited the foregoing, no Owner shall paint, alter, modify, or otherwise change or decorate the design, appearance or color of any exterior

surface, door, railing, gate, fence, roof of a Townhome, or other Common Area or any lighting fixture or mailbox or other apparatus serving its Townhome, nor shall any Owner install, erect or attach to any part of the exterior of its Townhome any sign of any kind whatsoever, without obtaining the approval of the Board of Directors, and during the Development Period, the Declarant. In the event said Board, or its designated committee, fails to approve or disapprove such design and location with ninety (90) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Nothing here contained shall be constructed to permit interference with the development of the Properties by the Declarant so long as said development follows the general plan of development of the Properties.

Notwithstanding any other provisions of this Declaration, any Land Development Activity shall not require the approval of or be subject to review by the Board.

ARTICLE VI.

PARTY WALLS.

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Lot upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion of such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it; and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owners' successors in title.

Section 6. Easement and right of Entry for Repair, Maintenance and Reconstruction. Each Owner shall have an easement and right of entry upon the lot of any other Owner to the extent reasonably necessary to perform repair, maintenance or reconstruction of a party wall. Such repair, maintenance or reconstruction of a party wall shall be done expeditiously and upon completion of the work, the Owner shall restore the adjoining lot or lots to as near the same condition as that which prevailed prior to commencement of the work as is reasonably practical.

Section 7. Certification with Respect to Contribution. If an Owner desires to sell his lot, he/she may, in order to assure a prospective purchaser that no adjoining Owner has a right of contribution as provided in this Article, request the adjoining Owner to make such certification

immediately upon request and without charge. If the adjoining Owner claims the right of contribution, the certification shall contain a recital of the amount claimed and the basis therefore. Failure of an Owner to make a certification within ten days after receipt of written request shall be deemed a waiver of his rights to contributions.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII.
EXTERIOR MAINTENANCE

Section 1. Association Responsibilities. In addition to maintenance of the Common Area, the Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, landscaping, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces nor rear courtyards, patios, decks or porches. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each lot at all reasonable times to perform maintenance as provided in this Article. In the event that the need for maintenance, repair or replacement is caused through the willful or negligent act of the Owner, his family, guests or invitees, or is caused by fire, lightning, wind, storm, hail explosion, riot, strike, civil commotion, aircrafts, vehicles, and smoke, as the foregoing are defined and explained in South Carolina Fire and Extended Coverage Insurance policies, the costs of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which such Lot is subject.

Section 2. Termite Bond. The Association shall maintain in full force and effect a termite bond on all of the lots in the Properties and it is hereby granted to the Association an easement for access over and upon each lot at reasonable times to complete its obligations under this Section.

ARTICLE VIII.
USE RESTRICTIONS

Section 1. Land Use and Building Type. No Townhome shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Townhome other than one attached single-family dwelling not to exceed two stories in height not including basement.

Section 2. Sales and Construction Facilities of Declarant. Notwithstanding any provision in Section 1, Declarant, its agent, employees and contractors shall be permitted to maintain during the period of construction and sale of the Townhomes on the Properties upon such portion of the Properties as Declarant may choose, such facilities as may be reasonably required in the construction and sale of Townhomes including, but not limited to a

business office, storage area, construction yards, signs, model Townhomes, sales office, construction office, parking area and lighting and temporary parking facilities for all prospective tenants or purchasers of Declarant.

Section 3. No other Business. No other business activity of any kind shall be conducted in any Townhome or any part of the Properties except that the Owner or occupant residing in a Townhome may conduct such business activities within the Townhome so long as:

(a) The existence of operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the Townhome;

(b) The business activity does not involve persons coming onto the property who do not reside on the property;

(c) The business activity conforms to all zoning requirements for the property;

(d) The Business activity does not increase the liability or casualty insurance obligations or premium of the Association;

(e) The business activity is consistent with residential character of the property and does not constitute a nuisance or a hazardous or offensive use, as may be determined in the sole discretion of the Board of Directors. "Business Activity" as used in the provision shall be construed to have its ordinary, general acceptable meaning.

Section 4. Nuisance. No noxious or offensive activity shall be conducted in or around any Townhome nor shall anything be done thereon which is or may become an annoyance or nuisance to the neighborhood.

Section 5. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided they are kept leashed or in enclosed areas, and are kept in compliance with applicable laws, and are not kept or maintained for commercial purposes. Each Townhome shall be limited to one (1) pets.

Section 6. Outside Antennas. No outside radio or television antennas or satellite dish shall be erected on any lot or dwelling within the Properties unless and until permission for the same has been granted by the Board of Directors of the Association or its Architectural Control committee. In granting or denying such permissions, the Board of directors or Architectural Control Committee shall take into account all factors such as size, location and appearance from the street. Any satellite dishes approved by the Board of directors or the Architectural Control Committee shall not exceed twenty-four (24) inches in diameter.

Section 7. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot within the Properties.

Section 8. Temporary Structures. No structures of a temporary nature, nor any trailer, tent, shack, shed, barn or other out buildings shall be allowed on any portion of the property at any time either temporary or permanently.

Section 9. Planting. No planting or gardening shall be done without the prior written approval of the Association.

Section 10. Visible Areas. Nothing may be hung or displayed on the outside or inside of windows except interior inoffensive drapes, curtains or louvered blinds which from exterior observation, must be white, beige or light gray, or as otherwise authorized by the Board of Directors, or placed on the outside walls of a building or otherwise outside of a Townhome or any part thereof. No awning, canopy, shutter or television or citizens band or other radio antenna or transmitter, or any other device or ornament (except as set forth in Section 6), may be affixed to or placed upon an exterior wall or roof or any part thereof, or the exterior of any door or window, or in, on, or over a patio, porch or balcony visible to the exterior unless authorized by the Board of Directors. The Board of Directors reserves the right to promulgate rules regulating the displays of "yard art" including but not limited to planters, decorative signs, flags or any other objects visible from the street or the private road as referenced on the subdivision plat.

ARTICLE IX. OTHER EASEMENTS

Section 1. Utilities Easements. In addition to other easements granted herein, there shall exist the following easements or easement rights:

(a) The Association shall have easements upon, over and under all of the Properties for ingress to and egress from, and the installation, replacing, repairing and maintaining of all utilities, including but not limited to water, sewer, gas, telephone, electricity, security systems, master television antennas and cable television, and the road system and walkways, for all purposes necessary for the proper operation of the Properties.

(b) The Association shall have the power to grant and accept easements over, through, and across common Area for the installation, maintenance and replacement of utilities, roads and other purpose reasonably necessary or useful for the proper maintenance or operation of the Properties and in addition, if the Board of Directors determine that the grant of easement rights to others is in the best interest of the Association, the Association shall have the right to grant the same, provided that the use of the same would not, in the judgment of the Board of Directors, unreasonably interfere with the use and enjoyment of the property Owner's Townhome.

(c) The Association shall have the right of entry and access to, over and through all of the Properties, including each Townhome to enable the Association to perform its obligations, rights and duties pursuant to the Declaration with regard to maintenance, repair, restoration and/or servicing of any items, things, or areas of or in the Properties. In event of an emergency, the Association's right of entry to a Townhome appurtenant Common Area may be exercised without notice. Otherwise, the Association shall give the Owners or occupants of a Townhome no less than twenty-four hours advance notice prior to entering a Townhome or its appurtenant Common Area.

(d) There shall be non-exclusive easements for all police, firemen, ambulance operators, mailmen, delivery men, garbage men, and all similar persons, and to the local governmental authorities and the Association, but not the public in general, to enter upon the Properties in the performance of their duties, subject to reasonable rules and regulations as the Board may establish from time to time.

Section 2. Encroachments. If, as a result of the construction of improvements, any portion of the Common Area now or hereafter encroaches upon any Lot, or if any Townhome now or hereafter encroaches upon any other Lot or upon any portion of the Common Area, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building or for any other reason, there shall exist a valid easement, not to exceed one (1) foot, for the encroachment and for the maintenance of the same so long as the improvement stands.

Section 3. Development Easements. Declarant hereby reserves to itself and its successors and assigns during the Development Period easements over, beneath and through the Properties: (i) within twenty-five (25') feet of any Lot boundary line adjacent to a public right of way; (ii) within fifteen (15') feet of any Lot boundary line adjacent to another Lot or a private street; or (iii) where specifically designated as an easement on any plat describing land added to the Properties or on a subdivision plat for such things as landscaping, signage, entry features, street lights, paths, trails or sidewalks or other facilities benefiting the Properties. The Development Easements may be used for the purpose of construction, installation and upkeep (i) of Townhomes and landscaping on any Lot owned by Declarant and (ii) of landscaping features, entrance features, project signage, street lights, street furniture, trails, paths or sidewalks, fencing, and associated lighting and irrigation systems and shall include access as necessary to perform such tasks. The Owner of a Lot burdened by such easement shall not construct any improvements within the easement without the permission of the Association. The Owner of the Lot and the Association (both acting through their boards of directors) may together record an instrument relocating the general Development Easement area with respect to such Lot, without the approval of the Owner of any other Lot. The Development Easement areas and the improvements located therein shall be maintained by the Owner of the Lot upon which located, unless the responsibility for such maintenance has been specifically assigned to or assumed by the Association. Declarant hereby reserves to itself during the Development Period the right to make any dedications and to reserve, grant, vacate or terminate any easements, rights-of-ways and licenses as may be reasonably required by any governmental authority or to carry out the intent and design of the Development and the Development plan, without compensation therefor.

ARTICLE X.

**COVENANTS OF OWNER TO KEEP TOWNHOMES INSURED AGAINST LOSS, TO
REBUILD AND TO KEEP IN GOOD REPAIR.**

Section 1. The Declarant covenants with the Association, on behalf of itself and on behalf of each subsequent Owner of a Lot within the Properties, and each Owner of any Lot within the Properties, by acceptance of a deed therefore, whether or not it shall be so expressed in said deed, or by exercise of any act of ownership, is deemed to covenant:

(a) The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements located on the Common Area or required to be maintained by the Association under Article VII hereof and blanket casualty insurance for all Townhomes; provided, however, that

such blanket casualty insurance policy shall cover the only unfinished, interior shell of the Townhome and shall not cover the interior wall, ceiling or floor coverings, interior non-structural partition walls, cabinetry, fixtures, furniture and other personal property (which shall be the sole responsibility of the Owner or Occupancy, as applicable). This insurance shall cover loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts. Loss payable provisions will be in favor of the Board, as a trustee for each Owner, and each such Owner's Mortgagee as the interests of such parties may appear. Each Owner and his respective Mortgagee, if any, will be beneficiaries of the policy with respect to such Owner's Townhome. All policies will contain a standard mortgagee clause, or equivalent endorsement (without contribution), which is commonly accepted by institutional mortgage investors in the area in which the Properties is located, and which appropriately names all Mortgagees or their servicer in such form as requested by such Mortgagees or their servicer.

(b) The Association will provide copies of all policies to Owners and/or Mortgagees requesting the same for a charge not to exceed reasonable copying costs.

(c) Each Owner shall obtain a hazard insurance policy equal to the full replacement value of his/her all portions of such Owner's Townhome not covered by the Association's master policy described above. Each Owner may obtain additional insurance at its own expense; provided, however, that no Owner will be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all of the Owners and their Mortgagees, may realize under any insurance policy which the Association may have in force on the Properties at any particular time. Any diminution in insurance proceeds otherwise payable under the Association's policies that results from the existence of any Owner's policy will be chargeable to the Owner who acquired such other insurance. Any Owner who obtains an individual insurance policy covering any portion of the Properties, other than the personal property belonging to such Owner, will file a copy of such policy with the Association within thirty (30) days after purchasing such insurance.

(d) Each Owner shall apply the full amount of any insurance proceeds received by such Owner to the restoring or repair of the Owner's Townhome (subject to the provisions and covenants contained in any mortgage or mortgages creating a lien against any Lot).

(e) Each Owner must promptly restore or repair his Townhome in the event of damage thereto except for restoration and repairs required to be made by the Association.

(f) Each Owner shall keep his Townhome in good repair except for repairs required to be made by the Association.

(g) Premiums for the master or blanket hazard insurance policy shall be a common expense and shall be collectible in the same manner and to the same extent as provided for annual and special assessments in Article IV. No insurance proceeds, payable by reason of loss or destruction of the Properties shall be used for any purpose other than the repair and replacement or reconstruction thereof.

(h) All insurance policies shall provide that coverage may not be cancelled by the carrier without first giving the Association, each Owner and mortgagee of Lot, if any, ten (10) days written notice of cancellation. In the event of cancellation of an Owner's insurance policy, the Association shall have the right to obtain proper coverage and the amount paid by the Association shall constitute an additional assessment against said Owner's Lot. All such policies shall contain, if obtainable, a waiver of the right of subrogation against any Owner, members of the Owner's family, the Association, its officers, agents and employees, as well as a waiver of all coinsurance provisions.

(i) The Association shall also obtain a broad form public liability policy covering all the Common Area and all damage or injury caused by the negligence of the Association or any of its agents, officers, or employees in an amount of not less than One Million Dollars for each occurrence and such a policy shall contain a waiver of the right of subrogation against members of the association, its officers, agents and employees.

(j) In the event of damage or destruction by fire or other casualty to any property covered by insurance payable to the Association, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the Properties to as near its former condition as practical. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the provisions agreed to by said bank or institution that such funds may be withdrawn only by signature of a least one-third (1/3) of the members of the Board of Directors, or by agent duly authorized by the Board of Directors. The Board of Directors shall obtain bids from at least two reputable contractors, and then may negotiate with any such contractor, who may be required to provide a full performance bond for the repair, reconstruction or rebuilding of such improvements.

(k) Any reconstructed or repaired Townhome shall be substantially identical to the destroyed residence, unless a change shall be approved by the Board, and shall be contracted in conformity with plans submitted to and approved by the Board prior to construction.

(l) Any Townhome which has been destroyed, in whole or in part, by fire or other casualty, and is subsequently restored or reconstructed, shall be subject to the provisions of this Declaration and to the By-Laws of the Association.

ARTICLE XII.

GENERAL PROVISIONS.

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, costs, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment.

(a) Generally. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods often (10) years. Subject to the other limitations set forth in this Declaration (and the approval of Declarant during the Development Period), this Declaration may be amended by an instrument signed by not less than seventy-five (75%) percent of the Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided or affect any lien for the payment thereof established herein. Any amendment must be properly recorded.

(b) Declarant Amendments. Notwithstanding anything to the contrary herein contained, Declarant reserves the right to amend this Declaration during the Development Period unilaterally without the

consent of any Owners or any mortgagee, or any other persons claiming an interest in the Properties or the Association provided that the amendment does not materially alter or change any Owner's right to the use and enjoyment of such Owner's Townhome, or the Common Area as set forth in this Declaration, and the amendment does not adversely affect the title to any Lot.

(c) Other Amendments. The Declarant, without the consent or approval of any other Owner, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Properties or to qualify the Properties or any Townhomes and improvements thereon for mortgage or improvement loans made or insured by a governmental agency, or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of South Carolina, regarding purchase or sale of such Townhomes and improvements or mortgage interest therein, as well as any other law or regulation relating to the control of property including, without imitations, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitations, the Veterans Administration, U.S. Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency shall, provided that the changes made substantially conform to such request or suggestion.

No amendment made pursuant to this Section shall be effective until duly recorded in the Office of the Register of Deeds for Pickens County.

Section 5. Use of Dwelling. No dwelling shall be leased for transient or hotel purposes, nor may an Owner lease less than the entire Townhome. Any lease must be in writing and provide that the terms of the lease and the occupancy of the Townhome shall be subject in all respects to the provisions of the Declaration of Covenants, Conditions and Restrictions and ByLaws of the Association, and any failure by a lessee to comply with the terms of such documents shall be in default under the lease.

Section 6. Conflicts. In the event of any irreconcilable conflict between the Declaration and the By-Laws of this Association, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the By-Laws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

ARTICLE XII
SPECIAL DECLARANT RIGHTS AND RESERVATIONS

Section 1. General Provisions.

(a) General Reservation & Construction. Notwithstanding other provisions of the Governing Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Article which Declarant hereby reserves exclusively unto itself and its successors and assigns (together with any other

rights reserved for the benefit of Declarant elsewhere in the Governing Documents, the "Special Declarant Rights"). In case of conflict between this Article and any other provision of this Declaration or any other Governing Document, this Article controls. This Article may not be amended without the prior written consent of Declarant. The terms and provisions of this Article must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Properties.

(b) Purpose of Development and Declarant Control Periods. This Article gives Declarant certain rights during the Development Period and Declarant Control Period to ensure a complete and orderly buildout and sellout of Development, which is ultimately for the benefit and protection of Owners and mortgagees. Declarant may not use its control of the Association and the Properties for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety (90) days' notice.

(c) Intent to Build. Declarant, in its own name or through its affiliates, intends to construct Townhomes on the Lots in connection with the sale of the Lots. However, Declarant may, without notice, sell some or all of the Lots to one or more other builders to improve the Lots with Townhomes to be sold and occupied. In that event, Declarant may be expected to amend this Declaration to add provisions addressing the role of a builder in the Properties.

Section 2. Declarant Control Period Reservations - Governance. Declarant reserves the following powers, rights, and duties during Declarant Control Period:

(a) Officers & Directors. During Declarant Control Period, the Board may consist of three (3) persons. During Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association pursuant to the By-Laws. Declarant's unilateral right to remove and replace officers and directors applies to officers and directors who were elected or designated by Owners other than Declarant, as well as to Declarant's appointees.

(b) Association Meetings. During Declarant Control Period, meetings of the Association may be held at a location, date, and time that is convenient to Declarant, whether or not it is mutually convenient for the Owners.

(c) Transition Meeting. Within sixty (60) days after the end of Declarant Control Period, or sooner at Declarant's option, Declarant will call a transition meeting of the Members of the Association for the purpose of electing, by vote of the Owners, directors to the Board. Written notice of the transition meeting must be given to each Owner at least ten (10) days before the meeting. For the transition meeting, Owners of ten (10%) percent of the Lots constitute a quorum. The directors elected at the transition meeting will serve until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin.

Section 3. Declarant Control Period Reservations - Finances. Declarant reserves the following powers, rights, and duties during Declarant Control Period:

(a) Association Budget. During Declarant Control Period, Declarant-appointed Board will establish a projected budget for the Development as a fully developed, fully constructed, and fully occupied residential community with a level of services and maintenance that is typical for similar types of developments in the general area of the Properties, using cost estimates that are current for the period in which the budget is prepared. The Association budget may not include enhancements voluntarily provided by Declarant to facilitate the marketing of new homes in the Properties.

(b) Budget Funding. During Declarant Control Period only, Declarant is responsible for the difference between the Association's actual operating expenses and the Annual Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. Any cumulative budget surplus shall be credited against any deficit. On termination of Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the assessments received from Owners other than Declarant.

(c) Declarant Assessments & Reserves. During Declarant Control Period, any real property owned by Declarant is not subject to assessment by the Association. During Declarant Control Period, Declarant is not required to make contributions to the Association's reserve funds for the Lots owned by Declarant. Declarant's obligation to fund the difference in the Association's operating expenses may not be construed to require Declarant to fund reserve accounts.

(d) Commencement of Assessments. During the initial development of the Properties, Declarant may elect to postpone the Association's initial levy of Annual Assessments until a certain number of Lots are sold which number may be determined by Declarant in its sole discretion. During Declarant Control Period, Declarant will determine when the Association first levies Annual Assessments against the Lots. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association.

(e) Expenses of Declarant. Expenses related to the completion and marketing of the Properties will be paid by Declarant and are not expenses of the Association.

(f) Budget Control. During Declarant Control Period, the right of Owners to veto any Special Assessments or increases in the Annual Assessments is not effective and may not be exercised.

Section 4. Development Period Reservations. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

(a) Withdrawal. During the Development Period, Declarant may withdraw real property from the Properties and the effect of this Declaration (1) if the Owner of the withdrawn property consents to the withdrawal, and (2) if the withdrawal does not significantly and detrimentally change the appearance, character, operation, or use of the Properties.

(b) Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) a governmental entity, if applicable, and (2) the Owner of the portion of the Properties or Lots to which the change would directly apply (if other than Declarant), Declarant may (i) change the sizes, dimensions, and configurations of Lots and streets; (ii) change the minimum dwelling size; (iii) change the dwelling type;

(iv) change the building setback requirements; and (v) eliminate or modify any other feature of the Properties.

(c) Boundary Adjustments. During the Development Period, Declarant reserves the right to make boundary adjustments between the Lots owned by Declarant and the Common Area without the consent or approval of any other Person, provided that any such change will be reflected by modification of the site plan for the Properties is approved by the appropriate governmental authorities. If any such amendment is to be made following the conveyance of the subject Common Area to the Association, the Association is obligated to sign any plats, deeds or other instruments or forms necessary to accomplish any of the actions that Declarant is permitted to take in accordance with this Section.

(d) Architectural Control. During the Development Period, Declarant has the absolute right to appoint the members of the Architectural Committee pursuant to Article V. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article V and this Article to (1) the Architectural Committee, or (2) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over unimproved Lots in the Development. Neither the Association, the Board of Directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of new homes and related improvements on unimproved Lots.

(e) Amendment. During the Development Period, Declarant may amend this Declaration and the other Governing Documents, without consent of other Owners or any mortgagee, for any purpose.

(f) Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the subdivision plat for the Development; (2) the right to sell or lease any Lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Development, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

(g) Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Properties, including the Lots, and a perpetual nonexclusive easement of access throughout the Properties to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a Lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

(h) Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Properties, including items and locations that are prohibited to other Owners and Residents, for purposes of promoting, identifying, and marketing the Development and/or Declarant's houses, lots, developments, or other products located outside the Properties. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Properties. Declarant also reserves the right to sponsor marketing events - such as open houses, MLS tours, and brokers parties - at the Properties to promote the sale of Lots.

(i) Offices. During the Development Period, Declarant reserves for itself the right to use Townhomes owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Properties and/or Declarant's developments or other products located outside the Properties. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to Lots and Townhome used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

(j) Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Properties for purposes of constructing, maintaining, managing, and marketing the Development, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the homebuying public through any existing or future gate that restricts vehicular access to the Properties in connection with the active marketing of Lots and Townhomes by Declarant, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Properties.

(k) Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Properties for utilities, roads, and other purposes necessary for the proper development and operation of the Properties. Declarant reserves the right to make changes in and additions to the easements on any lot, as shown on the plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to any Lot not owned by Declarant, Declarant must have the prior written consent of the Owner of such Lot.

(l) Assessments. For the duration of the Development Period after Declarant Control Period ends, each Lot owned by Declarant is subject to mandatory assessment by the Association in the same manner as the Lot of any other Owner.

Section 5. Different Standards. Declarant has the right (1) to establish specifications for the construction of all initial improvements in the Development, (2) to establish different specifications for different portions of the Properties, and (3) to grant variances or waivers from community-wide standards to certain portions of the Properties.

Section 6. Common Areas. Any initial Common Area improvement will be installed, constructed, or authorized by Declarant, the cost of which is not a common expense of the Association. For every Common Area capable of being conveyed to the Association, Declarant will convey title to the Common Area to the Association

by one or more deeds - with or without (at Declarant’s option) warranty. At the time of conveyance to the Association, the Common Areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant’s conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners. The transfer of control of the Association at the end of Declarant Control Period is not a transfer of Common Areas requiring inspection, evaluation, acceptance, or approval of Common Area improvements by the Owners.

Section 7. Transfer of Special Declarant Rights. Declarant may unilaterally transfer (without the approval or joinder of the Association or any Owner or Mortgagee) Special Declarant Rights created or reserved under the Governing Documents to (i) any Person acquiring Lots or any portion of the Properties owned by Declarant at the time of transfer or (ii) any lender holding a mortgage on Lots owned by Declarant at the time of transfer. Such transfer shall be evidenced by an instrument recorded in the RMC Office for Charleston County. The instrument is not effective unless signed by Declarant and transferee. A transfer of Special Declarant Right by Declarant may be for a specific designated purposes and/or for specified portions of the Properties, or for all purposes and all of the Properties.

A partial transfer of Special Declarant Rights does not prevent the transferor Declarant from continuing to exercise Special Declarant Rights with respect to land retained by such Declarant. The instrument providing for a partial transfer of Special Declarant Rights shall allocate voting rights between the transferor and the transferee as such Persons shall agree among themselves. Each Person having Declarant rights under the Governing Documents has the right to transfer such rights unilaterally with respect to land owned by such Person except to the extent provided otherwise in an instrument assigning the Special Declarant Rights to such Person.

ARTICLE XIII
RIGHTS OF FIRST MORTGAGEES

The following provisions, in addition to provisions set forth elsewhere in this Declaration, shall be applicable to the holders of first mortgage upon the individual dwellings subject to this Declaration and any amendments thereto:

Section 1. PUD. This Declaration and other constituent documents create a Planned Unit Development, hereinafter referred to “PUD” within the meaning of the regulations of the Federal Housing Administration and the Federal Home Loan Mortgage Corporation and otherwise.

Section 2. Right of First Refusal. Any “right of first refusal” contained in the PUD constituent documents shall not impair the right of a first mortgagee to: (a) foreclose or take title to a PUD Townhome pursuant to the remedies provided in the mortgage; (b) accept a deed (or assignment in lieu of foreclosure in the event of default by a mortgagor; or; (c) sell or lease a Townhome acquired by the mortgagee.

Section 3. Dues or Charges. Any first mortgagee who obtains title to a PUD Townhome pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Townhome’s unpaid dues or charges which accrue prior to the acquisition of title to such Townhome by the mortgagee.

Section 4. Unless at least two-thirds (2/3) of the first mortgages (based upon one vote or each first mortgage owned) or Owners (other than the sponsor, developer or builder of the individual Townhomes in the PUD) have given their prior written Approval, the PUD homeowners association corporation or trust shall not be entitled to:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common property owned, directly or indirectly by such homeowners association, corporation or trust for the benefit of the Townhomes in the PUD (the granting of easements for public utilities or for other public purposes consistent with the intended use of such common property by the PUD shall not be deemed a transfer within the meaning of this clause).

(b) Change in the method of determining the obligations, assessments, dues or other charges which may be levied against a PUD Townhome Owner.

(c) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Townhomes, the exterior maintenance of Townhomes, the maintenance of the common property party walks or common fences and driveways, or the upkeep of lawns and plantings in the PUD.

(d) Fail to maintain fire and extended coverage on insurable PUD common property on a current replacement cost basis in an amount not less than one hundred (100%) percent of the insurable value (based on current replacement cost); or

(e) Use hazard insurance proceeds for losses to any PUD common property for other than the repair, replacement or reconstruction of such common property.

Section 5. First mortgagees of PUD Townhomes may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any PUD common property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common property and first mortgages making such payments shall be owed immediate reimbursement therefor from the PUD homeowners association, corporation, or trust. Entitlement to such reimbursement is reflected in an agreement in favor of all first mortgages of Townhomes in the PUD duly executed by the PUD homeowners association, corporation or trust and an original or certified copy of such agreement is possessed by Seller.

Section 6. No provisions of the PUD constituent documents gives a PUD Townhome Owner, or any other party, priority over any rights of the first mortgagee of a Townhome in a PUD pursuant to its mortgage in the case of a distribution to such PUD Townhome Owner of insurance proceeds or condemnation awards for losses to or a taking of PUD common property.

Section 7. A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance of the individual PUD Townhome borrower of any obligation under the PUD constituent documents which is not cured within sixty (60) days.

Section 8. Any agreement for professional management of the PUD, or any other contract providing for services of the Developer, sponsor, or builder, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

[Remainder of page intentionally left blank.]

Signature on pages follow.]

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed this 29 day of June, 2015.

WITNESSES:

[Signature]
[Signature]

DECLARANT:

Pineherst Townhomes, LLC,
a South Carolina limited liability company

By: RDK Pineherst, LLC, its Manager

By: [Signature]
J. Kevin Heaton, its Managing Member

STATE OF SOUTH CAROLINA)
)
COUNTY OF Lexington)

ACKNOWLEDGMENT

I, J. Tindal Hart, the undersigned Notary Public, do hereby certify that Pineherst Townhomes, LLC, a South Carolina limited liability company, by RDK Pineherst, LLC, its Manager, by J. Kevin Heaton, its Managing Member, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 29th day of June, 2015.

[Signature]
Notary Public for South Carolina
Name of Notary: J. Tindal Hart
My Commission Expires: 8/31/15

**CONSENT OF MORTGAGEE AND
SUBORDINATION OF LIEN**

The Properties are encumbered by the following loan documents (collectively, the "Loan Documents"):

- 1. Commercial Construction Real Estate Mortgage from Pineherst Townhomes, a South Carolina limited liability company, to Bank of North Carolina, dated January 6, 2015, filed for record on January 6, 2015, in Book 4864, Page 350, in the ROD Office for Pickens County.
- 2. Assignment of Leases and Rents dated January 6, 2015, granted by Pineherst Townhomes, LLC, in favor of Bank of North Carolina, recorded January 6, 2015, in Book 1654, page 218, in the ROD Office for Pickens County.
- 3. UCC Financing Statement reflecting Pineherst Townhomes, LLC, as debtor and Bank of North Carolina as secured party, filed for record January 6, 2015, in Book 4865, page 11, in the ROD Office for Pickens County.
- 4. UCC Financing Statement reflecting Pineherst Townhomes, LLC, as debtor and Bank of North Carolina as secured party, filed for record January 16, 2015, in File Number 150112-1601501 in the S.C. Secretary of State's Office.

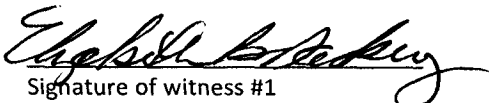
Bank of North Carolina, as a holder of the Loan Documents, hereby consents to the execution and delivery of this Declaration of Covenants, Conditions, and Restrictions for Pineherst Townhomes and the recording thereof in the ROD Office for Pickens County, and further subjects and subordinates the Loan Documents to the provisions of the Declaration.

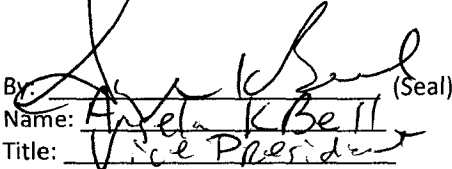
IN WITNESSES WHEREOF, the undersigned has caused this Consent to be executed by its authorized officer, this 29 day of June, 2015.

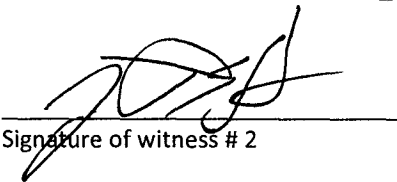
WITNESSES:

MORTGAGEE:

Bank of North Carolina


Signature of witness #1

By:  (Seal)
Name: Arvela K Bell
Title: Vice President


Signature of witness # 2

STATE OF South Carolina)
COUNTY OF Charleston)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me by Angela K. Bell, as a Vice President of Bank of North Carolina, this 29 day of June, 2015.

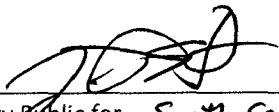

Notary Public for South Carolina
Name of Notary: J. Tindal Hurt
My commission expires: 8/31/15
(SEAL)

Exhibit A

ALL those certain lots, parcels or townhome units, together with all improvements thereon, lying and being situate in the State of South Carolina, County of Pickens, and known as "REV. LOT A-1 2485 Sq.Ft."; "REV. LOT A-2 2579 Sq.Ft."; "REV. LOT A-3 2356 Sq.Ft."; "REV. LOT A-4 2763 Sq.Ft."; "REV. LOT A-5 2790 Sq.Ft."; "REV. LOT A-6 2628 Sq.Ft."; "REV. LOT A-7 2465 Sq.Ft."; "REV. LOT A-8 2302 Sq.Ft."; "REV. LOT A-9 2139 Sq.Ft."; "REV. LOT A-10 8248 Sq.Ft." and being more particularly shown and designated on that certain plat of survey entitled "THIS PLAT REPRESENTS A BUILDING LOCATION SURVEY & RE-SUBDIVISION SURVEY OF: PINEHERST REVISED LOTS A-1 THRU A-10 AND PARCEL A-11 CITY OF CLEMSON PICKENS COUNTY SOUTH CAROLINA", prepared by John Robert Tuten, S.C.P.L.S. No. 11913, dated November 18, 2014, last revised May 5, 2015, and recorded May 14, 2015, in Plat Book 601 at page 316, in the ROD Office for Pickens County, South Carolina. Said property having such size, shape, dimensions, location, buttings and boundings as will by reference to said plat more fully and at large appear.

Exhibit B

By-Laws of
Pineherst Townhomes
Homeowners Association, Inc.

Article I
Name, Membership, Definitions

Section 1. Name. The name of the Association shall be Pineherst Townhomes Homeowners Association, Inc. ("Association").

Section 2. Membership. The Association shall have two (2) classes of voting membership, as is more fully set forth in that certain Declaration Of Covenants, Conditions, Restrictions And Easements For Pineherst Townhomes and recorded in the ROD Office for Pickens County simultaneously herewith (such Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

Section 3. Definitions. Capitalized words used in these By-Laws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

Article II
Association: Meetings, Quorum, Voting, Proxies

Section 1. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Development or as convenient thereto as possible and practical.

Section 2. First Meeting and Annual Meetings. An annual or special meeting shall be held within one (1) year from the date the Declaration is recorded. Annual meetings shall be set by the Board so as to occur no later than sixty (60) days after the close of the Association's fiscal year.

Section 3. 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 a majority of the Board of Directors or upon a petition signed by at least twenty-five percent (25%) of the members entitled to vote in the Association (the consent of Declarant shall not be required). 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.

Section 4. 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 Association's records) a notice of each annual or special meeting of the Association stating the time and place where it is to be held, and in the notice of a special meeting, the purpose thereof. Notice may be given by placing such writing in the mail box located in the Development for the Owner of the Lot. If an Owner wishes notice to be given at an address other than his or her Lot, such 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 shall be considered service of notice. Notices shall be served not less than ten (10) nor more than thirty (30) days before a meeting.

Section 5. 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 of any meeting of that member, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, 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.

Section 6. Adjournment of Meetings. If any meetings 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 such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 7. Voting. The Association shall have two (2) classes of Members in accordance with the provisions of Article IV of the Declaration. The rights, privileges and qualifications of each class of members shall be as set out in the Declaration and as provided in these Bylaws.

Section 8. Votes Required. A majority of the votes cast by the Members without regard to class at a meeting of Members duly called and at which a quorum is present shall be sufficient to take or authorize action upon any matter which may properly come before the meeting, except as otherwise required by the laws of South Carolina, the Declaration or the Articles of Incorporation. The Declaration requires the affirmative vote of more than a majority of each class of members in certain instances.

Section 9. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, dated, and filed with the Secretary on or before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon 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 the proxy appointment form otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. Any proxy appointment form distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon set forth in the notice of the meeting. The appointment shall provide that, where the member specifies a choice, the vote shall be cast by the proxy in accordance with that choice. The form shall also identify the person or persons acting as the proxy and the length of time it will be valid. In addition, voting by a proxy shall comply with any other applicable requirements of the Act. The member's signed proxy appointment form shall be delivered to the Secretary by hand delivery, by U.S. mail, and by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

Section 10. Quorum. The presence, in person or by proxy, of forty percent (40%) of the total eligible Association vote shall constitute a quorum at all meetings of the Association. 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.

Section 11. Action Without a Formal Meeting. Any action to be taken at a meeting of the members or any action that may be taken at a meeting of the members may be taken without a meeting if one (1) or more consents, in writing, setting forth the action so taken, shall be signed by members holding the voting power required to pass such action at a meeting held on the date that the last consent is executed and such action is consented to by Declarant if required. Such action shall be effective upon receipt by the Association of a sufficient number of such consents executed by current members unless a later effective date is specified therein. Each signed consent shall be delivered to the Association and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

Section 12. Action by Written Ballot. Any action to be taken at any annual, regular or special meeting of members may be taken without a meeting if approved by written ballot as provided herein. The Association shall

deliver a written ballot to each member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot of an action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve such matter other than the election of directors; and specify the time by which a ballot must be received by the Association in order to be counted. A timely written ballot received by the Association may not be revoked without the consent of the Board of Directors. The results of each action by written ballot shall be certified by the Secretary and shall be included in the minutes of meetings of members filed in the permanent records of the Association. A member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The business and affairs of the Association shall be managed by its Board of Directors, which shall be invested with all corporate powers not expressly reserved by statute, the charter, the By-Laws or by agreement among the Owners. Except as provided in Section 2 of this Article, the directors must reside in the Development and shall be members or spouses of such members; provided, however, no person and his or her spouse may serve on the Board at the same time. A director shall discharge his or her duties as a director in good faith; with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and in a manner which he or she reasonably believes to be in the best interests of the Association and the members.

Section 2. Directors Appointed by Declarant. Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until the Class B membership expires. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove directors and officers of the Association. The directors selected by Declarant need not be Owners or Residents in the Development.

Section 3. Number of Directors. A Board of Directors consisting of an odd number of members will govern the Association. Initially, during Declarant Control Period, the Board will consist of at least three (3) members appointed by Declarant, and following expiration of Declarant Control Period, the Board will consist of at least five (5) members elected as provided herein.

Section 4. Nomination of Directors. Elected directors shall be nominated from the floor and may also be nominated by a nominating committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Section 5. Election and Term of Office. Owner-elected directors shall be elected and hold office as follows:

(a) At the first annual meeting following the termination of Class B membership (or at a special meeting if one is called for such purpose), all seats on the Board of Directors shall be deemed vacant and the Owners shall elect five (5) directors.

(b) At annual meetings of the membership thereafter, directors shall be elected. All eligible members of the Association shall vote on all directors to be elected, and the candidate(s) receiving the most votes shall be elected.

The term of each director shall be two years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 6. Removal of Directors. At any regular or special meeting of the Association duly called, any one (1) or more of the members of the Board of Directors may be removed, with or without cause, by a majority of the total eligible Association vote and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Owners 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 of the meeting. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the directors at a meeting, a quorum being present. This Section shall not apply to directors appointed by Declarant.

Section 7. Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. Each person so selected shall serve the unexpired portion of the term.

B. Meetings.

Section 8. Organization Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 9. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the schedule of Regular Meetings shall constitute sufficient notice of such meetings. Notwithstanding the foregoing, during the Declarant Control Period, the Board of Directors shall not be required to hold Regular Meetings.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, the Chairman of the Board of Directors, or by 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 one (1) of the following methods: (a) by personal delivery, (b) written notice by first class mail, postage prepaid, (c) by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director, (d) by telegram, charges prepaid, or (e) by commercial delivery service to such director's home or office. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph company shall be delivered at least forty-eight (48) hours before the time set for the meeting. If notice is given by telegraph company, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company.

Section 11. Waiver of Notice. The transactions of any meeting of the Board of Directors, 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 shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate

notice.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, 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 decision of the Board of Directors.

Section 13. Compensation. No director shall receive any compensation from the Association for acting as such. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 14. Open Meetings. Except for meetings held during the Declarant Control Periods, all meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so-authorized by the Board.

Section 15. Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 16. 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 one (1) or more director consents, in writing, setting forth the action so taken, shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records.

Section 17. Telephonic Participation. One (1) or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time, and those directors so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a regular meeting of the Board.

C. Powers and Duties.

Section 1. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles of Incorporation of the Association, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the common expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

(c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall

approve, and using the proceeds to administer the Association;

(f) making and amending use restrictions and rules and regulations;

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

(h) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(i) contracting with any person for the performance of various duties and functions;

(j) paying the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;

(k) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred; and

(l) obtaining and carrying such (i) comprehensive public liability insurance; (ii) hazard insurance; and (iii) bonding for officers or employees of the Association who have fiscal responsibilities; as the Association deems reasonable, and paying the premium cost thereof.

Section 2. Management Agent. The Board of Directors may employ for the benefit of the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. Declarant or an affiliate of Declarant may be employed as the managing agent or manager. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon one party providing the other party with thirty (30) days' written notice.

Article IV **Officers**

Section 1. Officers. The officers of the Association shall be a President, Secretary, and Treasurer. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary; provided, however, the President and Secretary appointed by Declarant may be the same person. The President and Treasurer shall be elected from among the members of the Board of Directors. The Board may also elect a Vice President to act in the President's absence and any such Vice President shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 2. Election, Term of Office, and Vacancies. Except during the period in which Declarant has the right to appoint the officers of the Association under Article III, Section 2 of these By-Laws, the officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be practical. The officers shall hold their offices until their successors are chosen and have qualified or until their resignation or removal. Each officer with discretionary authority shall discharge his or her duties in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner that he or she reasonably believes to be in the best interests of the Association and the Owners. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby. Any officer or agent elected by the Owners may be removed only by vote of the Owners.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the South Carolina Nonprofit Corporation Code.

Section 5. Secretary. The secretary shall: (a) keep the minutes of the proceedings of the Association and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records; (d) keep a register of the post office address of each Owner; and (e) perform all duties incident to the office of the secretary of a corporation organized in accordance with South Carolina law.

Section 6. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors.

Section 7. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article V **Committees**

Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Article VI **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Association shall be determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be July 1 through June 30 of the follow year.

Section 2. Parliamentary Rules. Robert's Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with South Carolina law, the Articles of Incorporation of the Association, the Declaration, these By-Laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of the Nonprofit Corporation Act, the Declaration, the Articles of Incorporation of the Association, and these By-Laws, the provisions of Nonprofit Corporation Act, the Declaration, the Articles of Incorporation of the Association, and the By-Laws (in that order) shall prevail.

Section 4. Amendment. These By-Laws may be amended by the Board of Directors (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 the 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 or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots subject to the Declaration, or (d) if such amendment is necessary to enable any governmental agency or insurance company to insure or guarantee Mortgage loans on the Lots subject to the Declaration. In addition, these By-Laws

may be amended upon the affirmative vote or written consent, or any combination thereof, of at least two-thirds (2/3) of the total eligible Association vote provided, however, that the U.S. Department of Veterans Affairs ("VA") (if it is then guaranteeing any mortgage in the Development or has issued a project approval for the guaranteeing of such mortgages) and/or the U.S. Department of Housing and Urban Development ("HUD") (if it is then insuring any mortgage in the Development or has issued a project approval for the insuring of such mortgages) shall have the right to veto material amendments to these By-Laws for as long as Declarant has the right to appoint and remove the directors and officers of the Association.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements or other communications under these By-Laws or the Declaration 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 an Owner, at the address which the Owner 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 Owner;

(b) if to an Occupant, at the address of the Lot occupied; or

(c) if to the Association, the Board or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary.

Section 6. Severability. Whenever possible, each provision of these By-Laws shall be interpreted in such manner as to be effective and valid, but if the application of any provision of these By-Laws to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of these By-Laws are declared to be severable.

Section 7. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF, the undersigned, by and through its authorized representative, has caused this instrument to be executed the day and year first above written.

Witness:

C. Melton
Karen W. Sloan

Pineherst Townhomes
Homeowners Association, Inc.
By: [Signature]
Name: Tom Winkopp
Title: President

STATE OF SOUTH CAROLINA)
COUNTY OF Pickens)

ACKNOWLEDGMENT

Personally appeared before me Tom Winkopp, as President of Pineherst Townhomes Homeowners Association, Inc. and acknowledged his/her signature to this instrument.

Sworn to before me this
30th day of June, 2015.
Karen W. Sloan
Notary Public for the State of South Carolina
Name of Notary: KAREN W. SLOAN
My Commission Expires: 8/14/17

Exhibit C-1

Development Plan

Exhibit C-2

Exclusive Parking Spaces

LOT	Designated Exclusive Parking Spaces as shown of Development Plan
A-1	318
A-2	316
A-3	314
A-4	312
A-5	310
A-6	308
A-7	306
A-8	304
A-9	302
A-10	300