

DECLARATION
OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR
CITY HOMES @ CALHOUN

THIS DECLARATION of Covenants, Conditions, Easements and Restrictions for City Homes @ Calhoun is made this 5th day of September, 2018 by 12 S. Calhoun Street, LLC, a South Carolina limited liability company (the "Declarant").

WITNESSETH

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being in Greenville County, South Carolina, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, Declarant is in the process of planning or constructing Townhomes and other improvements on the Property, which development may be referred to hereafter as the Townhome Development; and

WHEREAS, Declarant desires that the Townhome Development be named "City Homes @ Calhoun", and does hereby name the Townhome Development "City Homes @ Calhoun", and further declares that it may also be referred to as "City Homes @ Calhoun Townhomes"; and,

WHEREAS, Declarant has duly incorporated City Homes @ Calhoun Owners Association, Inc., as a nonprofit membership corporation under the laws of the State of South Carolina; and,

WHEREAS, Declarant will be conveying the Townhome Lots to individual Owners prior to the construction of their respective Townhomes and related improvements on the Lots, subject to the obligation of each and all of the Owners to thereafter promptly initiate and complete their Townhome and other initial improvements on their Townhome Lot(s) in strict accordance with the plans and specifications established by the Declarant for their respective Townhome and for the Townhome Development; and,

WHEREAS, each Townhome will be an individual single family dwelling, with party walls separating adjacent Townhomes, and,

WHEREAS, each Townhome will have its own roof, with the party wall separating Townhomes having a roof membrane and roofing shingles covering the party wall, giving the appearance of a seamless and uniform roof over the adjoining Townhomes; and,

WHEREAS, it is intended that, in addition to its ownership and maintenance responsibility for the private drive (known as Calhoun Hill Way) and common area of the Townhome Development, the owners association shall also be responsible for the cleaning, maintenance, upkeep, repair and replacement of the roofs and exterior portions of the Townhomes, and the privacy fences on the Townhome Lots, together with the landscaping and yard maintenance of the Townhome Lots, all as a common expense of the owners association; and,

WHEREAS, the general benefits of mandatory covenants, conditions, easements and restrictions, together with such reasonable rules and regulations as may be established from time to time by the Board of Directors include, but are not limited to: 1.) maintaining the value and the particular residential character of the Townhome Development; 2.) preserving the quality and integrity of the Townhome Development; 3.) preventing any Owner, or others, from constructing improvements, or engaging in other activities, which would be to the detriment of the other Owners in the Townhome Development; and, 4.) maintaining stable and appropriate property values in the Townhome Development, with reasonable and appropriate appreciation; and,

WHEREAS, it is also important for the promotion of the quiet enjoyment by the Owners of their Townhomes, Townhome Lots and the common area of the Townhome Development, in addition to the proper maintenance of the Townhomes and the overall protection of the property values in the Townhome Development, for there to be a comprehensive and uniform set of covenants, conditions, restrictions and easements, together with such reasonable rules and regulations as may be established and set forth from time to time by the Board of Directors for the Townhome Development,

NOW, THEREFORE, the Declarant hereby declares that all of the Property and the entire Townhome Development (as those terms are hereinafter defined) is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, assessments, charges, and liens set forth in this Declaration, which shall run with the Property and be binding on all parties having any right, title, or interest in the Property or any part thereof, and their respective heirs, successors and assigns, for the benefit of each owner thereof and their respective heirs, successors, and assigns.

ARTICLE 1: NAME

The name of the Townhome Development is City Homes @ Calhoun (which also may be referred to as "City Homes @ Calhoun Townhomes").

ARTICLE 2: DEFINITIONS

The terms used in this Declaration, the By-Laws, and the Articles of Incorporation shall have their normal, generally accepted meanings, or the meanings given under the laws of the State of South Carolina, including the South Carolina Nonprofit Corporation Act and the South Carolina Homeowners Association Act. Certain terms used in this Declaration, the By-Laws, and the Articles of Incorporation shall be defined as follows:

- 2.1 "Architectural Review Board" or "ARB": A committee of one (1) to three (3) persons authorized, subject to oversight by the Board of Directors, to administer the architectural standards of this Declaration. The members of the ARB may also be the members of the Board of Directors.
- 2.2 "Articles of Incorporation": The Articles of Incorporation of City Homes @ Calhoun Owners Association, Inc., filed with the Secretary of State of South Carolina, as may be amended from time to time. A copy of the initial Articles of Incorporation is attached to this Declaration as Exhibit B and incorporated herein by this reference.
- 2.3 "Association": City Homes @ Calhoun Owners Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.
- 2.4 "Board of Directors" or "Board": The body of no less than three (3) members or persons responsible for management and operation of the Association as further described in this Declaration, the By-Laws and/or the Governing Documents.
- 2.5 "By-Laws": The By-Laws of City Homes @ Calhoun Owners Association, Inc., attached to this Declaration as Exhibit C and incorporated herein by this reference.
- 2.6 "Common Area": All portions of the Property and the Townhome Development which are not Townhomes or Townhome Lots, or portions thereof, and which are shown and set forth as Common Area on the Plat.
- 2.7 "Common Expenses" or "Common Expense":
- (a) expenses of operation of the Association and the administration, maintenance, repairs and replacements of common area infrastructure and improvements, fixtures and items located on Common Area, including the private drive;
 - (b) expenses of inspection, cleaning, maintenance, repairs and replacement of
 - (i) exterior surfaces, areas and roofs of the Townhomes;
 - (ii) privacy fences and common improvements on the Townhome Lots and/or common area; and,
 - (iii) expenses for landscaping and yard maintenance on the Townhome Lots and the common area, all as may be undertaken by or required to be borne by the Association,
 - (c) expenses determined by the Association to be a common expense of one or more of the Townhomes and/or Townhome Lots which are assessed against the Owners by the Association as provided for in this Declaration;

- (d) expenses declared to be a common expense or common expenses by the provisions of this Declaration, or the Bylaws, or the Governing Documents;
 - (e) expenses or compensation due to any Manager, Managers or Management Company retained or appointed by the Board,
 - (f) expenses for water, electricity or other utilities for the common area, or otherwise as used or contracted by the Association,
 - (g) assessments for the creation and maintenance of Association reserves, and
 - (h) any and all expenditures made by, or financial liabilities of, the Association, pursuant to and in accordance with this Declaration, the Bylaws or the Governing Documents.
- 2.8 "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing or expected within the Townhome Development, as determined in the reasonable discretion of the Board of Directors.
- 2.9 "Townhome Development": All that Property described in Exhibit "A," attached hereto and incorporated herein by this reference, together with all buildings and improvements thereon.
- 2.10 "Governing Documents": This Declaration, and all Exhibits to this Declaration, the By-Laws, the Articles of Incorporation, all rules and regulations of the Association, and the Plat, all as may be supplemented or amended from time to time.
- 2.11 "Declarant Control Period": Unless waived or otherwise agreed to by the Declarant, the period commencing on the date hereof and continuing until the earlier of : (1.) five (5) years from the date of the recording of this Declaration, or; (2.) the date on which the Declarant has sold or conveyed all of the Townhome Lots.
- 2.12 "Majority": Those eligible votes, Owners, or other group, as the context may indicate, totaling more than fifty-one percent (51%) of the total eligible number of said Owners eligible to vote, such being no more than five (5) of the eight (8) Townhome Lot votes.
- 2.13 "Manager:" The Person designated, appointed, hired or elected by the Board from time to time as the Manager of the Association, in accordance with the provisions of this Declaration or the Governing Documents.
- 2.14 "Membership" – Every Owner shall be a member of the Association. There shall be only one (1) Townhome Lot Membership per Townhome Lot. If a Townhome Lot is owned by more than one Owner, then those Owners shall share the Townhome Lot Membership and the privileges thereof, subject to reasonable regulation by the Board and to the terms and

provisions of this Declaration, the By Laws and the Governing Documents. There shall be one (1) vote per Townhome Lot Membership.

- 2.15 "Mortgage": Any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation.
- 2.16 "Mortgagee": The holder of any Mortgage.
- 2.17 "Occupant": 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 the Townhome.
- 2.18 "Owner": The record owner(s), whether one or more Persons, of fee simple title to a Townhome Lot.
- 2.19 "Person": Any individual, corporation, firm, association, partnership, trust, or other legal entity.
- 2.20 "Townhome Lot" or "Townhome Lots": A lot or lots within the Townhome Development, to be individually owned and conveyed for the construction of a Townhome or Townhomes, in strict accordance with the plans and specifications for the Townhome Development, as said lot(s) are described in this Declaration and/or in the Governing Documents, and as shown on the Plat, and any amendments thereto.
- 2.21 "Townhome Lot Vote" – The one (1) vote allowed per Townhome Lot, regardless of the number of Owners of the Townhome Lot.
- 2.22 "Townhome": The dwelling constructed on a Townhome Lot, to the center line of the party walls separating adjacent Townhomes, which Townhome includes doorsteps, stoops, exterior steps and stairs, porches and balconies.
- 2.23 "Plat": That certain plat of City Homes @ Calhoun Townhomes to be recorded in the Office of the Register of Deeds for Greenville County, South Carolina, together with all such revised or supplemental plats for City Homes @ Calhoun Townhomes as may be filed or recorded from time to time by the Declarant or the Association.
- 2.24 "Property": The real property subject to this Declaration, as more fully described on Exhibit A of this Declaration.
- 2.25 "Townhome Development": The subdivision and development known as City Homes @ Calhoun, being the eight (8) Townhome Lots and the Common Area, also known and referred to as the Property and also the Townhome Development in this Declaration, and as is more fully described on Exhibit A to this Declaration.

- 2.26 “Majority Vote” and “Majority Vote of Owners” – Majority Vote and Majority Vote of Owners refers to and means the majority of the Townhome Lot Votes, such being five (5) of the eight (8) total Townhome Lot Votes, there being eight (8) Townhome Lots in the Townhome Development, with one (1) vote per Townhome Lot regardless of the number of Owners of the Townhome Lot.

ARTICLE 3: LOCATION, PROPERTY DESCRIPTION, PLATS, AND PLANS

The Property subject to this Declaration is located in the City of Greenville, in Greenville County, South Carolina, being more particularly described in Exhibit "A" attached to this Declaration, which Exhibit is specifically incorporated herein by this reference. The Declarant and the Association shall have the right to file amendments and supplements to this Declaration, and revisions to and restatements thereof, and additional or revised plats, from time to time, as may be necessary or appropriate, as provided for in this Declaration and/or the Governing Documents, and/or by applicable law.

ARTICLE 4: TOWNHOME LOTS AND BOUNDARIES

The Property is divided into eight (8) separate Townhome Lots and also the Common Area for the Townhome Development.

- 4.1 Boundaries: The boundaries of each Townhome Lot and for the Common Area shall be as shown and set forth on the Plat.
- 4.2 Easement for Townhome walls and Party Walls: An easement exists and is hereby declared and granted herein for the construction of a party wall on the common side lot line of adjacent Townhome Lots, for the support of each Townhome to the center of the side party walls on or along the Townhome Lot lines. To the extent that a Townhome or party wall may project or encroach on or upon another Townhome Lot, an easement also exists and is declared and granted herein for the exterior wall(s) of each Townhome building to the extent that such building or walls may be located on an adjacent Townhome Lot or within any of the Common Area of the Townhome Development. Every portion of a Townhome or other structure on a Townhome Lot contributing to the support of an abutting Townhome, or other improvements on a Townhome Lot, shall be, and is hereby declared to be, burdened with an easement of support for the benefit of such abutting Townhome or other improvements on a Townhome Lot.
- 4.3 Easements for Privacy Fences: An easement exists and is hereby declared and granted on the yard areas of the Townhome Lots for the construction, inspection, maintenance, repair and replacement of privacy fences by the Association.

ARTICLE 5: COMMON AREA

The Common Area consists of all portions of the Townhome Development not located within the boundaries of a Townhome Lot, which common area is more specifically shown and set forth on the Plat, as may be amended or revised, which common area includes the private drive for the Townhome Development known as Calhoun Hill Way.

Except as otherwise provided for in this Declaration or in the Governing Documents, each Owner and the Association may use the Common Area for the purposes for which it is intended, and each Owner and Occupant shall have a right and easement of use of and enjoyment in and to the Common Area (including the right of access, ingress and egress to and from the Townhome Lots over the private drive known as Calhoun Hill Way, and any other portions of the Common Area designated for such purpose), and such rights and easement shall be appurtenant to and shall pass with the title to such Townhome Lot, subject to the rights of the other Owners in and to the use and quiet enjoyment of the Common Area, and subject to the right of the Association to reasonably control the use and enjoyment of the Common Area as provided by the terms of this Declaration or the Governing Documents, including regulation and control of the Common Area by such reasonable rules and regulations as may be established by the Board of Directors from time to time, and all amendments thereto.

The Declarant hereby reserves, for the benefit of Declarant, its successors, and assigns, so long as Declarant owns any Townhome or Townhome Lot primarily for the purpose of sale or lease, a temporary non-exclusive easement over and across the Common Area for: (1.) the maintenance of sales and leasing offices and signs; (2.) the reasonable use of the Common Area for sales, leasing, marketing, and construction purposes; and, (3.) access, ingress and egress across, over, and under the Common Area for the purpose of constructing townhomes and further improving the Townhomes, Townhome Lots or Common Area, or for any other reasonable purposes relating to the Townhome Development.

ARTICLE 6: ASSOCIATION MEMBERSHIP, VOTES, ALLOCATIONS AND BOARD OF DIRECTORS

- 6.1 Membership: All Owners, by virtue of their status as a legal title holder of record of a Townhome Lot, as shown by the public records maintained by the Office of the Register of Deeds for Greenville County, South Carolina, are members of the

Association and, except as otherwise may be provided for herein or in the By-Laws, shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to this Declaration and the Act, and in accordance with the By Laws, subject to the limitation of all votes and voting to be on the basis of one (1) vote per Townhome Lot.

- 6.2 Votes: Subject to the provisions of this Declaration, the By Laws and the Governing Documents, the Owner(s) of a Townhome Lot shall be entitled to cast one (1) vote for

each Townhome Lot in which such Owner holds the interest required for membership, there being a maximum total of eight (8) Townhome Lot votes, which single vote per Townhome Lot shall be appurtenant to such Townhome Lot.

6.3 Allocation of Liability for Common Expenses: Except as otherwise provided for in this Declaration or in the Governing Documents, each Townhome Lot is hereby allocated liability for Common Expenses on a one-eighth (1/8) equal basis with the other Townhome Lots, to be apportioned equally with the other Townhome Lots.

(a) Except as may otherwise be provided in this Declaration or in the Governing Documents, the amount of all Common Expenses shall be assessed equally and uniformly against all the Townhome Lots in accordance with the standard of uniform allocation of liability for Common Expenses described hereinabove.

(b) The Board of Directors shall have the power, only in the limited circumstances set forth hereinbelow, and in strict accordance to the guidelines set forth hereinbelow, to make specific assessments against one or more of the Townhome Lots. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the right to exercise authority under this Section in the future with respect to any expenses, including an expense for which the Board of Directors has not previously exercised its authority under this Section. Pursuant to this limited authority to make specific assessments against one or more of the Townhome Lots, the Board of Directors may impose a specific assessment against one or more of the Townhome Lots, as follows:

(i) In its discretion the Board may, but is not required to, assess a Common Expense benefiting one or more, but less than all, of the

Townhome Lots equitably against the Townhome Lots which are so benefited, according to the benefit received; and,

(ii) In its discretion the Board may, but is not required to, assess a Common Expense, or other expense, incurred or caused by the conduct of the Owner of a Townhome Lot, or by the occupant(s) of such Townhome Lot, or the licensees, or invitees of such Townhome Lot Owner, against such Townhome Lot.

6.4 Number and Term of Office. The business and affairs of the Association shall be managed by a Board of Directors of three (3) persons, who shall be Members of the Association. Service on the Board is expected of the members, and may be required of the members, as set forth and provided for in the Declaration and in the By Laws. The Board of Directors shall consist of three (3) Directors serving two (2) year terms (except as to the initial terms, which may be for one (1) year), unless otherwise approved by a

majority of the members entitled to vote. Service on the Board shall be on the basis set forth on the Board Rotation Schedule attached to the Declaration as Exhibit D. For terms of service set forth for each Townhome Lot, the procedure shall be as follows: (1.) If only one owner of the Townhome Lot, then that owner, or his or her substitute nominee, shall serve as nominee for the Townhome Lot; (2.) If multiple owners of the Townhome Lot, then those owners shall submit the name of one of them as the nominee or, in the alternative, may submit the name of a substitute nominee; (3.) The members shall then vote on the nominee(s) in an election vote to fill the open Board position(s). All Townhome Lot owners have the right to make nominations for the open position, and any Townhome Lot owner desiring to nominate a member for the open Board position shall submit the name(s) of the nominee(s) to the Secretary. A substitute nominee of a Townhome Lot owner or owners must be a member of the Association who has consented and agreed to serve as a Director for the subject Townhome Lot term. Board members shall serve for the term designated, unless he or she dies, resigns, retires, is removed, or disqualified, or until his or her successor is elected and qualified. Each Director's successor shall be elected for a two-year term. As a part of the elective process replacement nominees for Townhome Lot terms may also be made by any of the members, and by majority vote of the members entitled to vote such nominees may be elected for the Townhome Lot Board term in replacement of the member designated by the owners of said Townhome Lot for such term. Any Director may also be removed from office for any reason by a majority vote of the members entitled to vote.

- 6.5 Unless otherwise appointed, elector or designated by the Board, the members of the Board shall also be the Officers of the Association, with the Board members electing a Chairman of the Board, a President, a Secretary and a Treasurer (or a Secretary-Treasurer). The Board may also elect such other officers as the Board deems appropriate. The President may also serve as Chairman of the Board and one person may serve as Secretary – Treasurer.
- 6.6 The Board of Directors shall elect or designate the members of the Architectural Review Board or “ARB”, and the members of the Board may also serve as members of the ARB. If members of the ARB are not elected or designated by the Board, then the Chairman of the Board, the President of the Association and the Secretary-Treasurer of the Association, and any other officers of the Association, shall also be and serve as the members of the ARB.
- 6.7 The Board may hire and retain a professional Manager or Management Company for the management of the Association, and the fees and costs of the Manager or Management Company shall be a common expense of the Association.
- 6.8 The Board of Directors shall be formed and begin responsibility for the administration of the Association upon the Declarant conveying six (6) of the eight (8) Townhome Lots, unless otherwise agreed to in writing by the Declarant. Prior to the formation of the Board of Directors, the Declarant shall be responsible for the administration of the Association, and the Declarant shall have all of the powers of the Board in the administration of the Association.

ARTICLE 7: ASSOCIATION RIGHTS AND RESTRICTIONS

The Association shall have all of the rights and privileges set forth in this article, which rights and privileges are in addition to, and not in limitation of, all other rights it may have pursuant to this Declaration, the Governing Documents or under the laws of the State of South Carolina.

- 7.1 Right of Entry: The Association, its contractors and designees, shall have the right to enter upon the Townhome Lots for all reasonable and appropriate purposes, including cleaning, inspecting, maintaining, painting, repairing and replacing, as appropriate, roofs shingles, windows, doors and other exterior portions of the townhomes, privacy fences, for landscaping, lawn and yard maintenance, and for general inspection, maintenance, emergency, security, or safety purposes, which rights may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel, in the performance of their respective duties. Except in an emergency situation or for regular landscaping or yard maintenance, entry on a Townhome Lot shall be only during reasonable hours and with reasonable notice to the Owner or Occupant of a Townhome.
- 7.2 Rules and Regulations: The Board of Directors and the Association shall have the right to establish, make and enforce reasonable rules and regulations governing the use of the Townhomes, the Townhome Lots and the Common Area, including enforcement by a reasonable system of fines and the suspension of voting or use privileges. The Board of Directors and the Association shall further have the right to amend, revise, revoke and replace such rules and regulations, as deemed reasonable or appropriate in the reasonable discretion of the Board of Directors or the Association, as applicable, from time to time. The Board of Directors shall further have the right of reasonable discretion in the application and enforcement of its rules and regulations in order to avoid an unjust or inappropriate result, as determined in the reasonable discretion of the Board of Directors.
- 7.3 Right of Enforcement: In addition to all legal and equitable remedies, the Association shall have the right to enforce any and all covenants, conditions restrictions, or other terms or provisions of the Declaration, the By-Laws, the Governing Documents, and all rules and regulations of the Board of Directors or the Association, by the imposition of reasonable monetary fines, and by the suspension of use of common areas privileges and voting privileges. These powers, however, shall not be construed as limiting any other legal means of enforcing any covenants, conditions, restrictions of this Declaration, the By Laws or the Governing Documents, or the rules and regulations of the Board of Directors or the Association. Any and all fines imposed in accordance with this Section 7.3 shall be considered an assessment against the Townhome Lot and may be collected in the manner provided for collection of other assessments.
- 7.4 Permits, Licenses, Easements, Etc.: The Board of Directors shall have the right to grant permits, licenses, utility easements, and other easements over, through and under the Common Area without a vote of the Owners.

- 7.5 Right of Maintenance: The Association shall have the right to inspect, clean, control, manage, operate, maintain, improve, repair and replace the exterior portions of the Townhomes, including the roofs, siding, doors and windows, as well as privacy fences or other improvements on the Townhome Lots, or on Common Area, for which the Association is assigned, or assumes or undertakes, maintenance or repair or replacement responsibility pursuant to the terms of this Declaration. The Association shall also have the right to provide landscaping, lawn, pest control, termite control and treatment and yard maintenance services for the Townhome Lots, all as common expenses of the Association.
- 7.6 Property Rights: The Association shall have the right to acquire, hold, and dispose of tangible and intangible personal property and real property.
- 7.7 Casualty Loss: The Association shall have the right of representation relative to casualty loss, condemnation, or eminent domain, affecting the Common Areas or the exteriors of any of the Townhomes, consistent with the provisions of this Declaration.
- 7.8 Governmental Entities: The Association shall have the right to represent the Owners in dealing with governmental entities relative to matters relating to the Townhome Development and the Common Areas.
- 7.9 Common Area: The Association shall have the right to govern the use of the Common Area by reasonable rules and regulations, including the right to temporarily limit access to and use of any portion of the Common Area for emergency, security, or safety purposes, or for any such other reasonable purposes as determined in the appropriate discretion of the Board of Directors.
- 7.10 Encroachment Easements: Should any improvements located on any portion of the Common Area encroach upon any Townhome Lot, or should any Townhome or improvements on a Townhome Lot encroach upon another Townhome Lot or upon any portion of the Common Area, whether such encroachment(s) result from construction, reconstruction, repair, settlement, shifting, movement, incorrect measurement or delineation, or otherwise, then and in such event a valid easement for the encroachment and for the maintenance and repair of the same shall exist, provided that such encroachment does not materially impair the access to or use of any Townhome Lot affected thereby. If any Townhome, improvements on any Townhome Lot, or any improvements on any portion of the Common Area, are partially or totally destroyed by fire or other casualty, or as a result of condemnation or eminent domain proceedings, and subsequently are rebuilt or repaired in the same, or substantially the same, location as previously existed, any encroachment of any such rebuilt improvements on any portion of the Common Area upon any Townhome Lot, or any encroachment of a Townhome, or improvements on any Townhome Lot, upon any portion of the Common Area, due to such rebuilding or repair, shall be permitted, and valid easements for such encroachments, and the maintenance thereof, shall exist so long as the improvements shall stand.

- 7.11 Maintenance Easements: The Association shall have an easement and right of entry on the Townhome Lots for inspection, maintenance, repair and replacement of the roofs and exterior portions of the Townhomes, the privacy fences on the Townhome Lots, for pest control and termite/insect control and treatment, and for yard, lawn and landscaping improvements, construction and maintenance.
- 7.12 Drainage and Utilities: The Association shall have an easement ten (10) feet in width along the exterior lot lines of the Townhome Lots (those being the lot lines forming the exterior boundary of the Townhome Development) for drainage and utilities, including the right of installation, inspection, maintenance, repair and replacement of pipes and drainage facilities, and for utilities serving the Townhomes, Townhome Lots and Common Area.
- 7.13 Landscaping and Lawn Maintenance Easements: The Association shall have an easement and right of entry on the Townhome Lots for the landscaping and lawn placement, improvements and planting, and for related inspection, maintenance and replacement.
- 7.14 Pest Control and Termite Insect Control Easements: The Association shall have an easement and right of entry on the Townhome Lots for purposes of pest control and for purposes of insect and termite control, including chemical and other treatment, baiting, moisture control and inspection.
- 7.15 Privacy Fence Easements: The Association shall have an easement and right of entry on the Townhome Lots for purposes of construction, inspection, maintenance, repair and replacement of privacy fences on the Townhome Lots by the Association.

ARTICLE 8: ASSESSMENTS

- 8.1 Purpose of Assessments: The Association shall have the power to levy assessments as provided for in this Declaration and the By Laws. The assessments for Common Expenses provided for herein are for the management and the obligations of the Association, and for the general purposes of promoting the health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Townhomes, which assessments may include, but are not limited to, assessments for inspection, cleaning, maintaining, repair and replacement of the exterior portions of the Townhomes and for improvements on or relating to the Common Areas, as may be more specifically authorized from time to time by the Board of Directors.
- 8.2 Maximum Initial Assessment: Through the date of December 31, 2020 the maximum annual assessment for a Townhome Lot shall not exceed the sum of \$3,600.00, payable in monthly installments of \$300.00 per month.

8.3 Creation of the Lien and Personal Obligation for Assessments: Each Owner of a Townhome Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and to pay to the Association:

- (a) annual or monthly assessments or charges;
- (b) special assessments; and
- (c) fines charges and specific assessments, all as provided for in this Declaration, the Rules and Regulations, the By Laws, and the Governing Documents. All such assessments, together with late charges, interest, costs, and reasonable attorney's fees, shall be a charge on the Townhome Lot and shall be a continuing lien upon the Townhome Lot against which each assessment is made by the Association. Such lien shall be superior to all other liens, except
 - (i) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and
 - (ii) the lien or charge of any prior Mortgage of record made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure, in the same manner as Mortgages are foreclosed under South Carolina law. Such assessment amounts shall also be the personal obligation of each Person who was the Owner of such Townhome Lot at the time when the assessment was made by the Association. Each Owner and each successor-in-title to the Townhome Lot shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors and, unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the first day of each calendar month. No Owner shall be exempt or excused from liability for, or otherwise withhold payment of assessments, for any reason whatsoever, including, but not limited to, nonuse or limitation of use of the Common Areas, any failure of the Association to perform its obligations required under this Declaration, or any inconvenience or discomfort arising from the performance of any duties or obligations of the Association.

8.4 Delinquent Assessments: All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default:

- (a) If any monthly installment of annual assessments, or any part thereof, is not paid in full when due, or if any other charge is not paid when due, a late charge equal to the greater of twenty-five dollars (\$25.00) or ten percent (10%) of the amount not paid,

may be imposed without further notice or warning to the delinquent Owner, together with interest which may be charged at up to the highest rate allowed by South Carolina law, as determined to be reasonable and appropriate by the Board of Directors, accruing from the due date of such assessment.

- (b) If a partial payment of assessments and/or related charges is made, the amount received shall be applied in the following order, and no restrictive language on any check or draft shall be effective to change the order of application:
 - (i) respectively, to any unpaid late charges, interest charges, and specific assessments (including, but not limited to, fines), in the order of their coming due;
 - (ii) to costs of collection, including reasonable attorney's fees actually incurred by the Association; and, thereafter,
 - (iii) to any unpaid installments of the annual assessment or special assessments in the order of their due date.
- (c) If assessments, fines, or other charges, or any part thereof, due from an Owner are not paid when due, a notice of delinquency may be given to that Owner stating that if the assessment, fine, or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, then the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment and of any special assessment(s). If an Owner thereafter fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, then the Board of Directors may then accelerate and declare immediately due all installments of the annual assessment, and of any special assessment(s), without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall thereby lose the privilege of paying the annual assessment in monthly installments for that fiscal year.
- (d) If assessments and/or other charges, or any part thereof, remain unpaid more than thirty (30) days after the assessment payment first became delinquent, the Association may file a lien against the Owner and the Townhome Lot for all amounts due, plus interest and reasonable attorney's fees, costs and costs of collection, and may also institute suit to collect all amounts due pursuant to the provisions of the Declaration, the By-Laws, the Governing Documents, and South Carolina law, and suspend the Owner's and/or Occupant's right to vote and/or to use the Common Areas as allowed under this Declaration; provided, however, the Board of Directors may not limit ingress or egress to or from the Townhome Lot. The Association shall also have the right of foreclosure to foreclose on any lien filed against an Owner and/or Townhome Lot for the judicial sale of the Townhome Lot for the payment of all sums due the Association from the Owner, including reasonable attorneys' fees and costs of collection.

- 8.5 Computation of Operating Budget and Assessment: It shall be the duty of the Board of Directors, prior to the beginning of each fiscal year, to prepare a budget covering the estimated costs of operating the Association during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Townhome Lot for the following year to be delivered to each Owner at least thirty (30) days prior to the end of the Association's fiscal year. The budget and the assessment shall become effective unless disapproved at a duly-called and constituted meeting of the Association by a majority vote of the total eligible voting power of the Association and the Declarant (so long as the Declarant owns any Townhome Lot); provided, however, if a quorum is not obtained at such meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at the meeting.

Notwithstanding the foregoing, in the event that the membership disapproves the proposed budget, or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget then in effect shall continue for the succeeding year. In such case, the Board may propose a new budget at any time during the year at a special meeting of the Association. The proposed budget and assessment delivered to the members at least thirty (30) days prior to the proposed effective date thereof and at least ten (10) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

- 8.6 Special Assessments: In addition to the annual assessment provided for in Section 8.1 above, subject to the terms, conditions and limitations set forth in this Declaration, the By Laws and the Governing Documents, the Board of Directors may, at any time, and in addition to any other rights it may have, levy such special assessment against the Owners as the Board of Directors deems appropriate in its reasonable discretion. Notice of any such special assessment shall be sent to the Owners no less than forty-five (45) days prior to the effective date of such assessment. Notwithstanding the above, for so long as the Declarant owns any Townhome Lot, all special assessments must be consented to by the Declarant prior to becoming effective.
- 8.7 Specific Assessments: In addition to and in conjunction with its right to levy a specific assessment against a Townhome Lot as provided for in Section 6.3 hereinabove, the Board shall have the power to specifically assess expenses of the Association against Townhome Lots:
- (a) receiving benefits, items, or services not provided to all Townhome Lots within the Townhome Development that are incurred upon request of the Owner of a Townhome Lot for specific items or services relating to the Townhome Lot; or
 - (b) that are incurred as a consequence of the conduct of the Owner of the Townhome Lot, or the tenants, licensees, invitees, or guests of said Owner. The Association may also levy or specifically assess any Townhome Lot in order to reimburse the

Association for costs incurred in bringing the Townhome Lot into compliance with the provisions of the Declaration, as now exists or as may be amended or supplemented, the By-Laws, the Governing Documents, and all rules and regulations of the Board of Directors, provided the Board gives prior notice to the Townhome Lot Owner and an opportunity to the Townhome Lot Owner for a hearing on the matter.

- 8.8 Capital Budget and Contribution: The Board shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected dates and future expense for the repair and/or replacement of said assets. The Board shall determine and establish the required annual capital contribution of the Owners to provide for the projected capital needs of the Association, as shown on the capital budget, and such amounts shall be included in the regular annual assessment or in a special assessment. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.
- 8.9 Date of Commencement of Assessments: The obligation to pay assessments shall commence as to a Townhome Lot on the first day of the month following the date on which such Townhome Lot is conveyed to a Person other than the Declarant. The first annual assessment levied on each Townhome Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Townhome Lot. The amount of the assessment may be waived or lowered by the Association or the Declarant for up to twelve (12) months following the conveyance date, or until such time as a Certificate of Occupancy is issued for the Townhome to be constructed on the Townhome Lot.
- 8.10 Statement of Account: Any Owner, Mortgagee, or Person having executed a contract for the purchase of a Townhome Lot, or a lender considering a loan to be secured by a Townhome Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against a Townhome Lot. The Association shall respond in writing within ten (10) days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee, or fees, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Townhome Lot as of the date specified therein.
- 8.11 Initial Capital Contribution on the purchase of a Townhome Lot: At the time of closing upon acquisition of record title to a Townhome Lot by the first Owner thereof, other than the Declarant, a contribution shall be due to the Association from purchasing Owner to the working capital of the Association in an amount equal to two (2) months of the general annual assessment. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment, or any portion thereof. The Association may not use these funds during the period that the

Declarant has management control of the Association. Thereafter, the Association may use the funds to cover operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws. The working capital contribution set forth herein is in addition to the required capital contribution component of the annual dues set forth in Section 8.7 of this Article.

- 8.12 Capital Contribution on a resale of a Townhome Lot: At the time of closing on the resale of a Townhome Lot, other than a resale by the Declarant, the Association, in the reasonable discretion of the Board of Directors, may, but is not required to, impose and collect from purchasing Owner a capital contribution for the working capital of the Association in an amount equal to one (1) month of the general annual assessment. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment, or any portion thereof.

ARTICLE 9: INSURANCE

- 9.1 Insurance: Every Owner shall maintain homeowners insurance providing liability, property and casualty insurance coverage on their respective Townhome for the full and complete replacement cost thereof, and subject to such other reasonable or appropriate standards set forth or required by the Association or the Declarant. The Board of Directors, in its discretion, may elect for the Association to maintain, as a Common Expense to be equally shared by all Owners, fire, property, casualty and liability insurance for the Townhomes and other improvements on the Townhome Lots. In the event the Board of Directors elects for the Association to obtain such a policy or policies insuring the Townhomes and other improvements on the Townhome Lots, it shall give ninety (90) days written notice to the Owners, and shall further call a meeting of the Owners no less than thirty (30) days before the proposed effective date of such insurance coverage. The Association shall at all times maintain fire, casualty and liability insurance coverage for and relative to the Common Area and all improvements thereon, with such coverage amounts and limits as are reasonable and customary. The Board shall also have the authority to obtain such other or additional insurance policies or coverage(s) for the Townhome Development as the Board of Directors, in its reasonable discretion, deems necessary or appropriate.

If the Association elects to obtain insurance coverage on the Townhomes and other improvements on the Townhome Lots, and the Board of Directors later reasonably determines that it is not cost effective or appropriate for the Association to continue to obtain insurance coverage for the Townhomes or the Townhome Lots, then after no less than sixty (60) days written notice to the Owners the Board of Directors may require that the Owner of each Townhome Lot thereafter obtain their own homeowner's insurance for their respective Townhome and other improvements on their Townhome Lot with coverages and coverage amounts as set forth hereinabove.

In addition to the insurance required hereinabove, the Board of Directors, in its discretion, may obtain as a Common Expense of the Association:

- (a) workers' compensation insurance, if and to the extent such is necessary or appropriate to meet the requirements of applicable law;
- (b) public liability insurance;
- (c) officers' and directors' liability insurance in such amount(s) as the Board of Directors may determine to be reasonable and appropriate;
- (d) fidelity bonds or insurance covering officers, directors, employees, or managers;
- (e) flood insurance, to the extent that it is required by law or the Board of Directors determines to be reasonable or necessary; and
- (f) such other insurance as the Board of Directors may determine to be necessary, or reasonable or appropriate.

Every Owner shall be obligated to obtain and maintain at all times all homeowners or other liability, fire, property, casualty or other insurance as required of the Owner under the Declaration, the By Laws or the Governing Documents. Upon request by the Board or the Declarant, the Townhome Lot Owner shall furnish a copy of such insurance policy or policies to the Association. In the event that any Owner fails to obtain or provide evidence of such insurance as required by the Declaration, the

By Laws or the Governing Documents, the Association may purchase such insurance on behalf of the Owner and assess the cost thereof to the Owner, to be collected in the manner provided for collection of assessments under this Declaration, or the By Laws or other Governing Documents.

In the event of an insured loss on any policy of insurance carried by the Association, any required deductible shall be considered a common expense to be equally apportioned among the Owners.

ARTICLE 10: REPAIR AND RECONSTRUCTION

In the event of damage to or destruction of all or any part of a Townhome, or an improvement on a Townhome Lot, the Owner shall be responsible to promptly repair or replace, as appropriate, the damaged portions thereof in strict accordance all applicable building codes, statutes and regulations, and in strict accordance with the original plans for the Townhome and Townhome Lot improvements, except to the extent that such Townhome plans may be waived, amended or supplemented by the Architectural Review Board. As to the improvements on the Common Areas insured by the Association, and as to Townhomes or Townhome Lot improvements if the same are insured by the Association, as a result of fire or other casualty, the Board of Directors, or its duly authorized manager or agent, shall or may arrange for and supervise the prompt repair and restoration of all such structures or other improvements insured by the Association, and the Association is hereby authorized and empowered to take all such action as is

necessary or appropriate to undertake such repairs and construction, together with an easement in favor of the Association for the undertaking of such repairs or construction.

ARTICLE 11: ARCHITECTURAL CONTROL

- 11.1 Architectural Standards: In order to maintain uniformity relative to the exterior portions of the Townhomes, including the roofs, siding, doors and windows, and for fences and other improvements within the Townhome Development, and in order to preserve, protect and enhance property values within the Townhome Development, all initial and subsequent construction of the Townhomes, and other improvements on the Townhome Lots, is to be in strict conformity and accordance with the plans and specifications for the Townhomes and the Townhome Development, as established by the Declarant for the initial construction of the Townhomes and other improvements on the Townhome Lots and the Common Area. All repairs and the replacement of materials on the roofs and the exterior portions of the Townhomes, and the privacy fences and other visible improvements on the Townhome Lots, is to be in strict conformity to the plans and specifications for the Townhome Development and the rules, regulations and guidelines of the ARB. Except for the Declarant and except as otherwise provided for herein or otherwise in the Declaration, no Owner, Occupant, or any other person may make any encroachment onto the Common Area, or make any exterior change, alteration, repair, replacement or construction (including painting and landscaping) to a Townhome, or any improvement on a Townhome Lot, nor erect, place or post any object, sign, antenna, playground equipment, light (except for reasonable seasonal decorative lights), storm door or window, artificial vegetation, exterior sculpture, fountain, flag, or thing on the exterior or roof of any Townhome, in any window of a Townhome, or on any portion of the Common Area, without first obtaining the written approval of the Architectural Review Board ("ARB"), unless such has already been approved and published by the ARB in its written standards or guidelines for the Townhome Development.

The standard for approval of such repairs, materials, colors and improvements shall include, but not be limited to, conformity with the color schemes, materials, plans and specifications for the Townhome Development, unless otherwise required by applicable law, as well as general aesthetic considerations, materials to be used, harmony with the external design of the existing buildings and the location in relation to surrounding structures and topography. Applications for approval of all repairs and replacement of items or materials, and for any architectural modification shall be in writing and shall provide such information and supplemental information as the ARB may reasonably require. The ARB or its designated representative shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Board of Directors or the ARB may publish written architectural standards for maintenance, repairs, colors, materials, alterations or additions to Townhomes, and improvements on Townhome Lots, and any request in

substantial compliance therewith shall be approved; provided, however, each such requested repair, material replacement, improvement or change shall be in harmony with the external design of the existing buildings and Townhome Lots, and the location in relation to surrounding Townhomes and other improvements and structures on the Townhome Lots and Common Area. The ARB may allow such encroachments on the Common Area as it deems reasonable and appropriate.

In the event that the ARB fails to approve or to disapprove an application for repair, replacement, maintenance, construction or improvement within forty-five (45) days after the submission of the application to the ARB, together with all information and documentation as the ARB may reasonably require in connection therewith, has been submitted, its approval will not be required and this subsection will be deemed complied with; provided, however, even if the requirements of this subsection are satisfied, nothing herein shall authorize anyone to make any repair, replacement of materials, maintenance or change in color scheme to a Townhome, or to construct or maintain any structure or improvement on the Common Area, or that is otherwise in violation of the Declaration, the By-Laws, or the rules, regulations, guidelines or standards of the ARB, or of the Association.

- 11.2 Architectural Review Board: The ARB shall have exclusive jurisdiction over all construction, maintenance, repair or replacement of or on or to any portion of a Townhome, or any improvement located on a Townhome Lot, or within the Townhome Development. For so long as the Declarant owns any Townhome Lot, the Declarant retains the right to appoint and remove all members of the ARB, who shall serve at the Declarant's discretion. The ARB shall consist of one (1) to three (3) members, with the exact number being set from time to time by and in the sole discretion of the Declarant for so long as the Declarant retains the right to appoint and remove ARB members. There shall be no surrender of these rights prior to their expiration as provided above, except in a written instrument in recordable form executed by Declarant; provided, however, that Declarant may delegate certain authority of the ARB to the Association for such periods of time as Declarant in its sole discretion may decide. Upon expiration or permanent surrender of such rights, the Board shall appoint the members of the ARB, who shall thereafter serve and may be removed in the Board's discretion, and any one or more of the members of the Board of Directors may also serve as members of the ARB, and the Board of Directors may also serve as the ARB.
- 11.3 Limitation of Liability: Review and approval of any application by the ARB may be made on the basis of aesthetic considerations only and neither the Declarant, the Board of Directors, or the ARB shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the ARB, or any member of any of the foregoing, shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on, or modifications to, any Townhome, or to any improvements on

a Townhome Lot, or for the denial of any application or any request by an Owner, provided, however, an Owner shall have the right of appeal and redress as provided for in Article 17 of this Declaration.

- 11.4 No Waiver of Future Approvals: Each Owner acknowledges that the members of the Board of Directors and the ARB change from time to time and that interpretation, application, and enforcement of the architectural standards may vary accordingly. The approval of either the Board of Directors or the ARB of any proposals, plans, and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors or the ARB, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.
- 11.5 Enforcement: Any construction, alteration, or other work done in violation of this Section, or in violation of the Declaration, By Laws or Governing Documents, shall be deemed to be nonconforming. Upon written request from the ARB, or from the Board of Directors, the Owner shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the ARB shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. All costs thereof, including reasonable attorney's fees, may be assessed against the Townhome Lot and collected as an assessment pursuant to this Declaration. In addition to the foregoing, the ARB shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Section and its decisions. Any exterior change, alteration, or construction (including landscaping) upon a Townhome, a Townhome Lot or any portion of the Common Area made by an Owner in violation of this Declaration shall be at such Owner's sole risk and expense. The ARB may require that the Owner remove the change, alteration, or construction and restore the Townhome, Townhome Lot or portion of the Common Area to its original condition, or may assess the Owner for any expense incurred by the Association in making the change, alteration, or construction to restore the property to its original condition.

ARTICLE 12: USE RESTRICTIONS

Each Owner of a Townhome Lot shall be responsible for ensuring that the Owner and the Owner's invitees, guests, tenants, and all occupants of the Townhome, comply with all provisions of the Declaration, By Laws, Governing Documents, and all rules and regulations of the Association. Furthermore, each Owner and Occupant of a Townhome shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner and the Owner's invitees, guests, tenants or Occupants, as a result of such Person's violation of the Declaration, the rules

and regulations of the Association, the By Laws, or the Governing Documents, the Association may take action under this Declaration against the Owner, including the assessment of fines or suspension of ownership privileges. Use restrictions regarding the use of Townhome Lots and the Common Area include the following, and include any rules and regulations as established by the Association from time to time, and also as may be adopted by the Board of Directors in accordance with the terms hereof, the By-Laws and the Governing Documents.

12.1 Townhome Lots: All Townhome Lots shall be used for residential purposes only, which may include use for ancillary home office use, as provided for in this Declaration, the Governing Documents and such rules and regulations as may be established by the Association. A home office use shall be considered ancillary so long as:

- (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Townhome Lot;
- (b) the activity conforms to all zoning requirements for the Townhome Lots;
- (c) the activity does not involve regular or unreasonable visitation of the Townhome Lot by clients, customers, suppliers, or other invitees, or door-to-door solicitation of residents of the Townhomes;
- (d) the activity does not increase traffic or include frequent deliveries which are disruptive or cause a nuisance to the other Owners;
- (e) the activity is consistent with the primarily residential character of the Townhomes and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Townhomes, as may be determined in the sole discretion of the Board of Directors; and
- (f) the activity does not result in a materially greater use of Common Areas facilities or Association services. Other than a home office as permitted and regulated by this Declaration, no other business, trade, or similar activity shall be conducted upon a Townhome Lot.

12.2 Subdivision of Townhome Lots: No Owner may subdivide a Townhome or a Townhome Lot.

12.3 Outbuildings: No structure of a temporary character, trailer, tent, shack, carport, garage, barn, or other outbuilding shall be erected by any Owner or Occupant on any portion of a Townhome Lot, other than by Declarant, at any time, either temporarily or permanently, without the prior written approval of the ARB.

- 12.4 Use of Common Area: There shall be no obstruction of the Common Area, nor shall anything be kept on, parked on, stored on, or removed from any part of the Common Area, including the private drive known as Calhoun Hill Way, without the prior written consent of the Board, except as otherwise provided for in this Declaration or the Governing Documents. This prohibition shall not apply to the Declarant.
- 12.5 Prohibition of Damage, Nuisance, and Noise: Without the prior written consent of the Board, nothing shall be done or kept on a Townhome Lot, or any part thereof, which would increase the rate of insurance on a Townhome, or any Townhome Lot, or part thereof, or which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body, or which would otherwise materially increase the Common Expenses.

No noxious, destructive, or offensive activity shall not be carried on in any Townhome, on any Townhome Lot, or upon any portion of the Common Area. No Owner or Occupant of a Townhome may use or allow the use of a Townhome or Townhome Lot at any time, in any way or for any purpose which may endanger the health or unreasonably annoy or disturb or cause embarrassment, discomfort, or nuisance to other Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance.

Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights. Notwithstanding anything to the contrary herein, no Owner or Occupant of a Townhome may use or allow the use of the Townhome, a Townhome Lot, or the Common Area in any manner which creates noises which can be heard by persons in another Townhome that will, in the sole discretion of the Board, interfere with the quiet enjoyment of another Townhome or Townhome Lots by Owners or Occupants of other Townhomes.

No Owner shall do any work without the approval of the ARB, the Board or the Declarant, as applicable, which, in the reasonable opinion of the ARB, the Board or the Declarant, as applicable, would change the exterior appearance of a Townhome or privacy fence, conflict with the architectural design and plan for the Townhomes and the Townhome Development, jeopardize the soundness or safety of any Townhome, or would reduce the value thereof, or would impair any easement or other interest of the Association or other Owners in and to any portion of the Townhome Development.

- 12.6 Firearms and Fireworks: The display or discharge of firearms or fireworks on the Common Area is prohibited; provided, however, that lawful firearms may be transported in an appropriate manner across the Common Area for the limited purpose of transporting the firearms to or from a Townhome or otherwise lawfully in a vehicle. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

- 12.7 Pets: No Owner or Occupant of a Townhome may keep more than a total of three (3) (in any combination) dogs or cats (or similar pets). An Owner or Occupant may keep in his or her Townhome a number of smaller, generally recognized household pets, such as fish or hamsters, subject to such reasonable rules and regulations as may be adopted by the Board of Directors from time to time. No Owner or Occupant may keep, breed, or maintain any pets for any commercial purposes. Pets may not constitute a nuisance to the Owners or Occupants of other Townhomes, in the sole determination of the Board. Pets must be kept on a leash and be under the physical control of a responsible person, at all times while on the Common Area. The owner of the pet or the person responsible for the pet must immediately remove any feces or waste left upon the Common Area by the pet.
- 12.8 Parking: Except for temporary guest and visitor parking, and short term parking of unattended vehicles for a period of two (2) hours or less by the owners and/or occupants of the Townhomes for convenience only, all parking of vehicles on Townhome Lots is to be within the enclosed garage of the Townhome, so as to leave the driveways on the Townhome Lots free of parked vehicles. Vehicles are not to be parked on Calhoun Hill Way at any time unless allowed by the Board of Directors, and no vehicle is to be parked in any manner which would block access to the driveway of any Townhome Lot, or block, impair or otherwise limit the use of Calhoun Hill Way, or access to any Townhome Lot. No boats or recreational vehicles are to be stored or parked on any area of a Townhome Lot, including the driveway, other than in the enclosed garage of the Townhome. This prohibition on parking in the driveways of the Townhome Lots shall not be construed as prohibiting temporary parking on the driveway for a temporary period of time when the owner of the boat, vehicle, recreational vehicle or golf cart is present and/or attending to the boat, vehicle, recreational vehicle or golf cart.

The Board of Directors may promulgate rules and regulations governing and restricting parking on the Townhome Lots and in any designated areas of the Common Area, and all parking of vehicles in the Common Area and on the Townhome Lots shall be subject to the rules and regulations adopted by the Board of Directors.

If any vehicle is parked on any portion of a Townhome Lot or the Common Area in violation of any provisions of this Declaration or the Governing Documents, or in a manner wherein the vehicle is blocking traffic or otherwise presents a hazard to persons or property, or impairs access by emergency vehicles, the vehicle may be towed by the Association, including towing without notice, so long as the towing is done in compliance with applicable governmental laws, rules or regulations.

Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

- 12.9 Garages and Garage Doors: Garages are for the parking of the vehicles, boats, recreational vehicles and golf carts of the owners and/or occupants of the Townhomes, and except for temporary parking, all vehicles, boats, recreational vehicles and golf carts are to be parked and stored within the garages on the Townhome Lots, and except when a Townhome owner and/or occupant is present, the garage doors of the Townhomes are to remain closed so as to present a uniform and neat appearance of the Townhomes from Calhoun Hill Way.
- 12.10 Abandoned Personal Property: Other than trash and other items in trash receptacles approved by the Association, all trash, abandoned or discarded property is prohibited from being placed, stored, kept, or allowed to remain upon any portion of Calhoun Hill Way, the yard areas of the Townhome Lots visible from Calhoun Hill Way, or on any portion of the Common Area without the prior written permission of the Board of Directors.
- 12.11 Signs: Except as may be required by legal proceedings, no signs, advertising posters, billboards, canopy or awnings, or any variation of the foregoing of any kind shall be erected, placed, or permitted to remain on or in the window of a Townhome without the prior written consent of the Board or its designee. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association and to enact reasonable rules and regulations governing the general placement of signs on or in the Townhomes, including “for sale” or “for rent” signs. Notwithstanding the restrictions contained in this section, the Declarant may approve and erect signs for the purpose of carrying on business related to the development, improvement, and sale of Townhomes and Townhome Lots, and such signs shall not be subject to approval or regulation by the Association or by the Board.
- 12.12 Rubbish, Trash, and Garbage: All rubbish, trash, and garbage shall be regularly removed from the Townhome Lot and shall not be allowed to accumulate thereon. No garbage or trash shall be placed on the Common Areas or on any portion of a Townhome Lot, temporarily or otherwise, except as provided for in this Declaration, the Governing Documents or the rules and regulations of the Association. Rubbish, trash, and garbage shall be disposed of in closed plastic bags and placed in proper receptacles designated by the Association for collection, except as otherwise may be directed by the Board from time to time.
- 12.13 Impairment of Townhome Lots and Easements: An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Townhome, or the improvements on a Townhome Lot, or impair any easement or other interest in real property, nor do any act nor allow any condition to exist which will adversely affect the Common Area, or the other Townhomes or Townhome Lots, or the Owners or Occupants of any of the Townhomes.
- 12.14 Unightly or Unkempt Conditions: The pursuit of any activities which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken in any Townhome or upon any Townhome Lot. Clothing, bedding, rugs, mops, appliances,

indoor furniture, and other household items shall not be placed or stored outside the Townhome on any Townhome Lot.

- 12.15 Garage Sales: Garage sales, yard sales, flea markets, or similar activities are prohibited.
- 12.16 Storm Windows: No storm doors or storm windows shall be installed on any Townhome except as may be allowed by the Board of Directors or the ARB.
- 12.17 Antennas and Satellite Equipment: All exterior satellite equipment and/or antennas shall only be placed or maintained on the areas of a Townhome or Townhome Lot as designated by the ARB, and the Association may impose reasonable rules and regulations relating to the installation, location and use of exterior satellite equipment, and antennas or related facilities or equipment. Notwithstanding the foregoing, the Association may regulate antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind only in compliance with and as allowed by applicable federal or state laws and regulations.
- 12.18 Time Sharing: Notwithstanding anything herein to the contrary, no Townhome shall be used for or subject to any short term rentals (periods of less than one year), or any type of Vacation Time Sharing Ownership Plan, Vacation Time Sharing Lease Plan, or Vacation Time Sharing Plan, as defined by the South Carolina Code of Laws, Section 27-32-10, et seq., as amended, or any subsequent laws of the State of South Carolina dealing with a vacation time share ownership or leasing plans.
- 12.19 Limitations on Use of Common Area: The Common Area may only be used in accordance with the provisions of this Declaration, the Governing Documents and the reasonable rules and regulations of the Association.
- 12.20 Utilities: The Association may authorize the placement of utilities within the Common Area and/or within the ten (10) foot wide drainage and utility easements adjacent to the rear and exterior lot lines of the Townhome Lots.

ARTICLE 13: LEASING

The Board of Directors shall have the power to make and enforce reasonable rules and regulations regulating the rental, leasing and occupancy of Townhomes and Townhome Lots, together with the power to impose fines for any violations of said rules and regulations, which fines shall be assessed and collected as Assessments, in accordance with the Declaration, the By-Laws and the Governing Documents, in order to enforce the provisions of this Section.

- 13.1 Definition: "Leasing" and "Rental" for purposes of this Declaration, is defined as the regular, exclusive occupancy of a Townhome Lot by any person or persons other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

- 13.2 Leasing Provisions: Leasing and rental of Townhomes and Townhome Lots shall be governed by such rules and regulations of the Association as may be established and/or amended from time to time, including rules and regulations governing and limiting the number of total occupants of a Townhome, and to the following provisions:
- (a) General: Other than the sharing of the use of a Townhome by the Owner with one or more other persons, the Townhomes and Townhome Lots may be leased only in their entirety; no fraction or portion may be leased without prior written approval of the Board. All rentals must be for an initial term of no less than one (1) year. All leases shall be in writing, and there shall be no short term rental or leasing of any Townhome or Townhome Lot allowed under any circumstances. Upon executing a lease agreement for the lease of a Townhome and prior to occupancy by the tenant(s), the Townhome Lot Owner shall provide the Board of Directors with a copy of the lease and the name(s) of the lessee and all other people occupying the townhome. The Townhome Lot Owner must provide to the tenants of the Townhome copies of the Declaration, By-Laws, the rules and regulations of the Association, and any other Governing Documents.
- 13.3 Compliance with Declaration, By-Laws and Rules and Regulations: All owners, occupants, tenants, lessees or guests of a Townhome shall comply with all provisions of the Declaration, By-Laws, and rules and regulations of the Association adopted pursuant thereto, and all Governing Documents, and shall control the conduct of all other Occupants and guests of the leased Townhome in order to ensure compliance with the foregoing. The Owner of the Townhome shall be responsible for the conduct of the occupants and guests thereof, including renters, tenants and lessees, and their guests and invitees, and the Townhome Owner shall be responsible for all violations by such occupants or persons, notwithstanding the fact that such occupants or persons of the Townhome are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto. In the event that a tenant, lessee, guest or invitee violates the Declaration, By-Laws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the tenant or lessee, and such fine shall be assessed against the Owner in accordance with the provisions of this Declaration and the By-Laws, as applicable. Unpaid fines shall constitute a lien against the Townhome Lot.

ARTICLE 14: MAINTENANCE RESPONSIBILITY

- 14.1 By the Owner: Subject to the maintenance rights and obligations of the Association, each Owner shall have an obligation to maintain and keep in good repair all improvements on the Townhome Lot. The Association shall also have the right to inspect, maintain, repair and replace the exterior portions of the Townhomes, and roofs, as deemed necessary or appropriate by the Association.

- (a) In addition, each Townhome Lot Owner shall have the responsibility:
 - (i) to keep in a neat, clean, and sanitary condition his or her Townhome Lot;
 - (ii) to perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Townhomes;
 - (iii) to promptly report to the Association or its Manager any condition, defect or need for repairs to any Townhome, Townhome Lot, or other area within the Townhome Development for which the Association is or may be responsible; and
 - (iv) to pay to and/or reimburse the Association the cost of repairing, replacing, or cleaning up any item which is the responsibility of the Townhome Lot Owner, or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Townhome Lot Owner, or his or her family, invitees, tenants, or guests, with the cost thereof to be an assessment against the Townhome Lot.

14.2 By the Association:

- (a) The Association shall maintain and keep in good repair as a Common Expense the exterior portions of the Townhomes, including the roofs, the privacy fences on the Townhome Lots, the yard areas of the Townhome Lots and the "Area of Common Responsibility," which includes the following:
 - (i) all Common Area, including all improvements made to the Common Area;
 - (ii) periodic inspection/cleaning/maintaining/repair and/or replacement of exterior surfaces of the Townhomes, including roofs, siding, and exterior windows, doors and door frames, as determined appropriate by the Board of Directors;
 - (iii) Subject to the maintenance responsibilities herein provided, the maintenance or repair performed on or to the Common Area by an Owner or Occupants which is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Area) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

- 14.3 Failure to Maintain: If the Board of Directors determines that any Owner has failed or refused to discharge properly such Owner's obligation with regard to the maintenance, repair, or replacement of items for which such Owner is responsible hereunder, then the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors. Unless the Board of Directors determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board of Directors determines that an emergency exists, or that an Owner has not complied with the demand given by the Association as herein provided, the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense and such costs shall be an assessment and a lien against the Townhome Lot.
- 14.4 Maintenance Standards and Interpretation: The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board of Directors to another. These variances shall not constitute a waiver by the Board of Directors of the right to adopt and enforce maintenance standards under this Section. No decision or interpretation by the Board of Directors shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board of Directors. All maintenance of a Townhome Lot shall be in conformance with the Community -Wide Standards of the Association. No Owner shall perform any maintenance which may result in a change or alteration to the exterior of the Townhome Lot without the prior written approval of the Board of Directors as provided for in this Declaration or the Governing Documents.
- 14.5 Measures Related to Insurance Coverage: The Board, upon resolution, shall have the authority to require all or any Townhome Lot Owner(s) to do any act or perform any work involving portions of a Townhome which are the maintenance responsibility of the Townhome Lot Owner, which will, in the reasonable discretion of the Board, decrease the possibility of fire or other damage in the Townhome, reduce the insurance premium paid by the Association for any insurance coverage, or otherwise assist the Board in procuring or maintaining insurance coverage.

In addition to, and not in limitation of, any other rights the Association may have, if any Townhome Lot Owner does not comply with any reasonable requirement made by the Board pursuant to this Section 14.5 above, the Association, upon fifteen (15) days' prior written notice (during which period the Townhome Lot Owner may perform the required act or work without further liability), may perform such required act or work at the Townhome Lot Owner's sole cost and expense. Such cost shall be an assessment and a lien against the Townhome Lot as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to this section,

including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Townhome Lot, except that access may be had at any time without notice in an emergency situation.

ARTICLE 15: PARTY WALLS

- 15.1 General Rules of Law to Apply: Each wall built as a part of the original construction of the Townhomes, which serves and separates any two (2) adjoining Townhomes, shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.
- 15.2 Sharing of Repair and Maintenance: Unless assumed by the Association as a common expense, the cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions.
- 15.3 Damage and Destruction: If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner or Owners who have benefited by the wall may restore it, and the Association shall reimburse said Owner(s) for the cost incurred, as an expense of the Association, without prejudice, however, to the Association's right to seek reimbursement from or withhold payment to the Owners and others under any rule of law or provision in this Declaration regarding liability for negligent or willful acts or omissions.
- 15.4 Right to Contribution Runs with Land: The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

ARTICLE 16: RULES AND REGULATIONS

- 16.1 The Board of Directors of the Association shall have the duty, responsibility and authority to govern the Townhome Development and to administer the provisions of this Declaration, the By Laws and the Governing Documents for the general benefit and welfare of the Owners and Occupants of the Townhomes, which duty, responsibility and authority includes both the duty and authority to establish such rules and regulations, together with a system of fines and other punishment for violations thereof, as provided for and allowed by the provisions of this Declaration and/or the By Laws. Such rules and regulations shall be reasonable and uniformly enforced within the Townhome Development, and may be amended, revised, replaced or revoked from time to time as may be determined appropriate in the discretion of the Board of Directors. The Board of Directors from time to time may establish committees to address matters and the Board of Directors may also hire and retain a professional manager to manage business and affairs of the Association, with the cost thereof to be paid as a common expense of the Association.

- 16.2 The rules and regulations established by the Board of Directors governing the Townhomes, the Townhome Lots and the Common Areas may include, but are not limited to, rules and regulations addressing the following matters: noise and quiet hours, use of the common areas, use of the Townhomes and Townhome Lots, events, outdoor furniture and items, grills, parking, pets, garbage and garbage disposal, lighting, flags, banners, signs and other displays, leasing and rental, inspection, cleaning, maintenance, repair, construction, pest control, home offices, mailboxes, delivery of goods and services, access, improvements, draperies, window treatments and other items visible from the exteriors of the Townhomes, vehicles, bicycles and other means of transportation, community standards for the Townhome Development, and such other matters as are reasonable or appropriate in the reasonable discretion of the Board of Directors.

ARTICLE 17: DISPUTE RESOLUTION

- 17.1 Meeting and Voluntary Resolution: In the event of a disagreement or dispute between a Townhome Owner and the Association, the Board of Directors, or the ARB, upon the request of the Townhome Lot Owner the Board of Directors shall provide the Townhome Owner the opportunity to promptly appear before and/or meet with the members of the Board within thirty (30) days of the request of the Townhome Owner, and the parties shall use their best efforts to attempt to voluntarily resolve the dispute(s). In the event the parties cannot resolve the matter through a meeting with the Board of Directors, the Townhome Owner may request that the matter be resolved by vote of the Townhome Owners, with one (1) vote for each Townhome Lot, for a total of eight (8) possible votes, with the quorum being five (5) Townhome Lot votes, including the vote of the aggrieved Townhome Lot Owner. In the event of a majority vote of the Townhome Lot Owners being favorable to the aggrieved Townhome Lot Owner, then such decision and determination shall be binding upon the Board of Directors and the Association. In the event the vote is not favorable to the aggrieved Townhome Lot Owner, then the aggrieved Owner may seek further redress as provided for hereinbelow in paragraphs 17.2 and 17.3.
- 17.2 Mediation: In the event the disagreement, dispute or other situation is not resolved to the satisfaction of a Townhome Owner as provided for in paragraph 17.1 hereinabove, then the Townhome Owner may request mediation. In the event mediation is requested, both the aggrieved Townhome Owner and the Board of Directors shall participate in the mediation process, with the aggrieved Owner responsible for one-half (1/2) of the reasonable cost of mediation and the Association responsible for one-half (1/2) of the reasonable cost of mediation.
- 17.3 Arbitration: In the event of a dispute that is not resolved to the satisfaction of an aggrieved Owner voluntarily or through mediation, as provided for in paragraphs 17.1 and 17.2 hereinabove, then the aggrieved Owner may request that the dispute be submitted to binding arbitration and, upon receipt of such request, the Board of Directors shall promptly make arrangements for binding arbitration of the dispute pursuant to the rules

of the American Arbitration Association, or any successor entity, and the parties further agree that the prevailing party in any arbitration proceeding shall be entitled to an award of their reasonable attorneys fees, expert fees and costs incurred in such arbitration proceedings, provided, however, a Townhome Owner seeking equitable relief, or a judgment or other relief available in Magistrate Court, or similar “small claims court” may seek relief in such courts, including seeking equitable relief in the Court of Common Pleas or similar court, and shall not be required to seek arbitration for such relief or legal redress. A party obtaining a monetary judgment and/or other award, decision or judgment through arbitration shall be entitled to have the same entered as a judgment pursuant to the South Carolina Uniform Arbitration Act, or other applicable law or statute.

- 17.4 Equitable Relief and other Legal Action: A Townhome Owner seeking only equitable relief, or primarily seeking equitable relief with any claim for a monetary judgment being incidental to such equitable relief, shall not be required to arbitrate the dispute but may file suit seeking such equitable relief in an appropriate Court of competent jurisdiction of the subject matter and the parties, and the prevailing party in such suit shall be entitled to an award of reasonable attorneys’ fees, expert fees and costs, in addition to any equitable relief and/or monetary or other judgment awarded or granted to the prevailing party. In the event of a dispute or matter for which a party may file an action in Magistrate Court, or similar “small claims” court, a Townhome Owner may file such action and seek redress and remedy in that court as an alternative to arbitration, and the prevailing party in such proceedings in Magistrate Court or similar “small claims court” shall also be entitled to an award of reasonable attorneys’ fees, expert fees and costs, in addition to all other relief or judgments awarded, up to the limit of the jurisdiction of said court(s).
- 17.5 Association Liens and Suits for Damages: The Association shall have the right to file a lien on a Townhome Lot for delinquent dues, and further shall have the right to file a lawsuit for a judgment for delinquent dues, and/or for foreclosure of the lien, together with reasonable attorneys’ fees and costs, in a court of competent jurisdiction, including magistrate’s court, as applicable.

ARTICLE 18: DECLARANT RIGHTS

- 18.1 Right to Appoint and Remove Directors: The Declarant shall have the right to appoint and remove any member or members of the Board of Directors of the Association subject to such limitations as set forth below. The Declarant's authority to appoint and remove members of the Board of Directors of the Association shall expire on the first to occur of the following:
- (a) All eight (8) of the Townhome Lots in the Townhome Development have been transferred by the Declarant to Townhome Lot Owners other than a Person or Persons constituting the Declarant;

- (b) the expiration of five (5) years after the date upon which this Declaration is recorded in the Greenville County land records; or,
 - (c) upon written waiver by the Declarant of its rights under this Article 18.
- 18.2 Board of Directors and Appointment by Declarant: The Board of Directors of the Association shall be comprised initially of three (3) Directors, who may be appointed by the Declarant.
- 18.3 Construction and Sale Period: Notwithstanding any provisions in this Declaration, the By-Laws or the Governing Documents, for so long as Declarant owns any Townhome Lot, it shall be expressly permissible for Declarant, and any builder or developer approved by Declarant, to maintain and carry on, upon such portion of the Townhome Development as Declarant may deem necessary or appropriate, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction, and sales activities related to the Townhome Development, including, but without limitation, the right of access, ingress or egress for vehicular and pedestrian traffic over, under, on, or in the Common Area; the right to tie into any portion of the Townhome Lots or Common Area with streets, driveways, parking areas, and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), install, lay, replace, relocate, maintain, and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under, and/or over the Property; the right to carry on sales and promotional activities in the Townhome Development; and the right to construct and operate business offices, signs, construction trailers, model Townhomes, and sales offices. Declarant, and any such builder or developer, may use Townhome Lots or offices owned or leased by Declarant or such builder or developer as model Townhome Lots and sales offices.

ARTICLE 19: EASEMENTS

- 19.1 Use and Enjoyment: Each Townhome Lot Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Area (including the right of access, ingress and egress to and from his or her Townhome Lot over those portions of the Common Area designated for such purposes), and such easement shall be appurtenant to and shall pass with the title to each Townhome Lot, subject to the right of the Association to govern, regulate and control the use and enjoyment of the Common Area as provided by the terms of this Declaration and the Governing Documents, including, but not limited to, the right of the Association to establish reasonable rules and regulations for the use of the Common Area and the right of the Association to suspend voting and use privileges as provided for in this Declaration and the Governing Documents. Any portion of a Townhome, including party walls, or other improvements located on a Townhome Lot, or

on the Common Area, which contribute to the support of an abutting Townhome shall be burdened with an easement of support for the benefit of such abutting Townhome.

- 19.2 Utilities: To the extent that the sprinkler system or any utility line, pipe, wire, or conduit serving any Townhome, Townhome Lot, or the Common Area shall lie wholly or partially within the boundaries of another Townhome Lot or the Common Areas, such other Townhome Lot or Common Area shall be burdened with an easement for the use, maintenance, repair, and replacement of such sprinkler system, utility line, pipe, wire, or conduit, with such easement to be in favor of the Townhome Owner, Townhome Lot, or Common Areas served by the same and the Association, provided no such easement shall exist under any Townhome and provided any such easement does not materially interfere with the use or enjoyment of the Townhome Lot. It shall be the obligation of the benefited Owner to maintain, replace, and repair any pipe, line, conduit, duct, or wire owned by such Owner, even if such pipe, line, conduit, duct, or wire is located on the Townhome Lot of another Owner, or within any portion of the Common Area. In such circumstance, the benefited Owner shall restore to its prior condition any portion of a Townhome Lot or the Common Area resulting from performance of any land disturbing activities relative to any such easement.
- 19.3 Maintenance Easements: The Association shall have an easement and right of entry on the Townhome Lots for inspection, maintenance, repair and replacement of the roofs, siding, windows and doors, and other exterior portions of the Townhomes, the privacy fences on the Townhome Lots, for pest control and termite/insect control and treatment, and for yard, lawn and landscaping improvements, construction and maintenance.
- 19.4 Drainage and Utilities Easements: The Association shall have an easement ten (10) feet in width along the exterior lot lines of the Townhome Lots (which lot lines form the exterior lot lines of the Townhome Development) for drainage and utilities, including the right of installation, inspection, maintenance, repair and replacement of pipes and drainage facilities, and for utilities serving the Townhomes, Townhome Lots and Common Area.
- 19.5 Landscaping and Lawn Maintenance Easements: The Association shall have an easement and right of entry on the Townhome Lots for the landscaping and lawn placement, improvements and planting, and for related inspection, maintenance and replacement.
- 19.6 Pest Control and Termite Insect Control Easements: The Association shall have an easement and right of entry on the Townhome Lots for purposes of pest control and for purposes of insect and termite control, including chemical and other treatment, baiting, moisture control and inspection.
- 19.7 Privacy Fence Easements: The Association shall have an easement and right of entry on the Townhome Lots for purposes the construction, inspection, maintenance, repair and replacement of privacy fences on the Townhome Lots by the Association.

19.8 Yard Easements: In order to establish yards for the Townhome Lots pursuant to the development plan for City Homes @ Calhoun, the following yard easements are hereby declared, dedicated, imposed, granted and set forth: (1.) Lot 3 shall have a yard easement for the use as the private yard area of said Lot 3 on and over the portion of adjoining Lot 4 as is shown and designated as a yard easement area on the Plat; and, (2.) Lot 6 shall have a yard easement for the use as the private yard area of said Lot 6 on and over the portion of adjoining Lot 5 as is shown and designated as a yard easement area on the Plat. The yard easements declared, dedicated, imposed, granted and set forth herein include an easement for the construction and maintenance of privacy fences as may be constructed on or along the borders of the yard easement areas.

19.9 Declarant Easements:

- (a) Declarant hereby reserves for itself, its agents, successors, and assigns an easement of access, ingress, and egress upon, over, and across the surface areas of the Common Area:
 - (i) for the purpose of construction, use and enjoyment of certain proposed appurtenant structures which Declarant or its assigns may, at their sole option and discretion, develop, construct, and/or have constructed in the Townhome Development
 - (ii) for the purpose of installing, replacing, repairing, and maintaining utilities serving said Townhomes or other improvements or structures; and
 - (iii) for the purpose of doing all things reasonably necessary and proper in connection therewith.
- (b) For so long as Declarant owns any Townhome Lot primarily for the purpose of sale, Declarant and its duly authorized contractors, representatives, agents, and employees shall have:
 - (i) an easement for the maintenance of signs, a sales office, a business office, promotional facilities, and model Townhome Lots on the Townhome Development, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient, or incidental to the completion, renovation, improvement, development, or sale of the Townhome Lot; and,
 - (ii) a transferable easement or easements on, over, through, under, and across the Common Area for the purpose of making improvements to the Common Area and/or on the Townhomes, or any other improvements within the Townhome Development, and/or for the purpose of installing, replacing, repairing, and maintaining all utilities serving the Townhomes

or the Common Area, and for the purpose of doing all things reasonably necessary or appropriate in connection therewith.

ARTICLE 20: GENERAL PROVISIONS

- 20.1 Security: The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety within the Townhome Development; however, each Owner, on behalf of such Owner and the Occupants, guests, licensees, and invitees, of the Townhome Lot acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security in the Townhome Development.
- 20.2 Implied Rights: The Association may exercise any right or privilege given to it expressly by this Declaration, the By-Laws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.
- 20.3 Amendment, Revision, Restatement or Supplement of Declaration:
- (a) By the Declarant or the Board of Directors: For so long as the Declarant owns a Townhome Lot, the Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Board of Directors may unilaterally amend this Declaration at any time and from time to time if such amendment is necessary
- (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination;
 - (ii) to enable any reputable title insurance company to issue title insurance coverage on the Townhome Lots;
 - (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee Mortgage loans on the Townhome Lots; or
 - (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Townhome Lot or otherwise materially and adversely impact the rights of an Owner under this Declaration, the By Laws or the Governing Documents, unless the Owner shall consent to such amendment in writing.

- (b) By the Owners: This Declaration may be amended, revised, restated or supplemented by and with the written consent of the Townhome Lot Owners of the Association holding no less than two-thirds (2/3) of the total Townhome Lot votes, such being six (6) of the eight (8) Townhome Lot votes, and only with the consent of the Declarant for so long as the Declarant owns a Townhome Lot. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment or other action to be taken. No amendment, restatement, revision, or supplement shall be effective until signed an officer of the Association, on behalf of the Association, and recorded in the Office of the Register of Deeds for Greenville County, South Carolina. Any action to challenge the validity of an amendment, revision, restatement or supplement adopted under this Section must be brought within one (1) year of the later of the effective date of such amendment, revision, restatement or supplement, or the recording date of such amendment, revision, restatement or supplement. No action to challenge such amendment, revision, restatement or supplement may be brought after such time.
- 20.4 Compliance: Every Owner and Occupant of any Townhome Lot shall comply with this Declaration, the By-Laws, and the Governing Documents, including the rules and regulations of the Association, as such rules and regulations may be established or amended from time to time. Failure to comply shall be grounds for fines or suspension of voting or other rights, except for the right of ingress and egress over the common area, which right of ingress and egress shall not be impaired, or for legal or equitable action by the Association or, in a proper case, by any aggrieved Owner, to recover sums due for damages, or for injunctive or other equitable relief, or for any other remedy available at law or in equity, in addition to any other enforcement powers granted to the Association in this Declaration, the By Laws or the Governing Documents.
- 20.5 Severability: Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision, or the applicability of any provision, which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.
- 20.6 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, limited, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.
- 20.7 Notices: Notices provided for in this Declaration or the Articles or By-Laws shall be in writing and shall be addressed to any Owner at the address of the Townhome Lot, unless another address be on file for the Owner with the Association, and to the Declarant or the

Association at the address of their respective registered agents in the State of South Carolina. Any Owner may designate a different address than the townhome address for notices to such Owner by giving written notice to the Association.

WITNESS the Declarant's hand and seal this 5th day of September, 2018.

SIGNED, sealed and delivered
In the presence of:

Clif Gatchens

Witness #1

"Declarant"

12 S. Calhoun Street, LLC

By: [Signature]

George W. Cole, Member

(SEAL)

Henry L. Sullivan

Witness #2

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

ACKNOWLEDGMENT
(SC Code Section 26-3-70)

The foregoing instrument was acknowledged before me this 5th day of September, 2018 by George W. Cole, as Member on behalf of 12 S. Calhoun Street, LLC, a South Carolina limited liability company.

Henry L. Sullivan
Notary Public for South Carolina
My Commission Expires: 03/16/2019

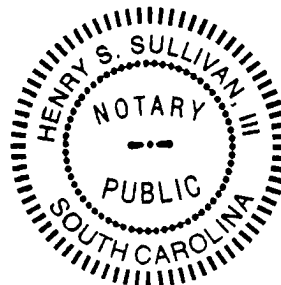


EXHIBIT A

ALL that certain piece, parcel or lot of land, with all improvements thereon, situate, lying and being on the western side of South Calhoun Street in the City of Greenville, County of Greenville, State of South Carolina, being shown and designated as a 0.484 acre parcel on a plat of survey prepared for Abiding Workspaces, LLC by Site Design, Inc., dated February 1, 2018 and recorded in the Office of the Register of Deeds for Greenville County, S.C. in Plat Book 1296 at Page 22, reference being hereby made to said plat for a complete metes and bounds description of the property.

TMS # 0078.00-04-022.00

**STATE OF SOUTH CAROLINA
SECRETARY OF STATE****ARTICLES OF INCORPORATION
Nonprofit Corporation – Domestic
Filing Fee \$25.00**

Pursuant to S.C. Code of Laws Section 33-31-202 of the 1976 S.C. Code of Laws, as amended, the undersigned corporation submits the following information

1. The name of the nonprofit corporation is

City Homes @ Calhoun Owners Association, Inc.

2. The initial registered office (registered agent's address in SC) of the nonprofit corporation is
1040 West Washington Street

(Street Address)

Greenville, South Carolina 29601

(City, State, Zip Code)

The name of the registered agent of the nonprofit corporation at that office is

George W. Cole

(Name)

I hereby consent to the appointment as registered agent of the corporation.

(Agent's Signature)

3. Check "a", "b", or "c", whichever is applicable. Check only one box.

- a. ☐ The nonprofit corporation is a public benefit corporation.
b. ☐ The nonprofit corporation is a religious corporation.
c. ☒ The nonprofit corporation is a mutual benefit corporation.

4. Check "a" or "b" whichever is applicable

- a. ☒ This corporation will have members.
b. ☐ This corporation will not have members.

5. The principal office of the nonprofit corporation is
1040 West Washington Street

(Street Address)

Greenville, South Carolina 29601

(City, State, Zip Code)

City Homes @ Calhoun Owners Association, Inc.

Name of Corporation

6. If this nonprofit corporation is either a **public benefit** or **religious corporation** complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation. **If you are going to apply for 501(c)(3) status, you must complete section "a"**.

a.

☐

Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

☐

If you choose to name a specific 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

OR

b.

☐

If the dissolved corporation is not described in Section 501(c)(3) of the Internal Code, upon dissolution of the corporation, the assets shall be distributed to one or more public benefit or religious corporation or to one or more of the entities described in (i) above.

☐

If you chose to name a specific public benefit, religious corporation or 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

7. If the corporation is mutual benefit corporation complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

a.

☒

Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b.

☐

Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows [See S.C. Code of Laws Section 33-31-202(c)].

City Homes @ Calhoun Owners Association, Inc.

Name of Corporation

9. The name and address of each incorporator is as follows (**only one is required, but you may have more than one**).

George W. Cole

(Name)

1040 West Washington Street

(Business Address)

Greenville, South Carolina 29601

(City, State, Zip Code)

(Name)

(Business Address)

(City, State, Zip Code)

(Name)

(Business Address)

(City, State, Zip Code)

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles.

(Name – only if names in articles)

(Signature of Director)

(Name – only if names in articles)

(Signature of Director)

(Name – only if names in articles)

(Signature of Director)

City Homes @ Calhoun Owners Association, Inc.

Name of Corporation

11. Each incorporator listed in #9 must sign the articles

Signed as Filer: Henry S. Sullivan III

(Signature of Incorporator)

(Signature of Incorporator)

(Signature of Incorporator)

12. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is:

Business Name: CITY HOMES @ CALHOUN OWNERS ASSOCIATION, INC.

Signature Page for a Secretary of State Business Filing

This page must be completed, scanned, and attached to any business filing where one of the following is true.

- The filing party signs the digital form on behalf of official signee.
- An attorney's signature is required. (Articles of Incorporation for Corporation and Benefit Corporation)

Official Signatures

(Officer, Incorporator, Director, Agent, Partner, etc)

Required for forms where the signee is not present upon online submission and a filing party is providing a digital signing on their behalf. If the provided space is not enough, please attach multiple pages.

GEORGE W. COLE

Name

Signature

AUGUST 7, 2018

Date

INCORPORATOR

Title / Position

Name

Date

Signature

Title / Position

Name

Date

Signature

Title / Position

Name

Date

Signature

Title / Position

Name

Date

Signature

Title / Position

Scan and Upload this document to the Business Filing System during the filing process.
File must be PDF format.

EXHIBIT C
BY-LAWS OF CITY HOMES @ CALHOUN OWNERS ASSOCIATION, INC.

ARTICLE I
Name and Location

1. Name: The name of the South Carolina non profit corporation is City Homes @ Calhoun Owners Association, Inc., hereinafter referred to as the "Association".
2. Location: The initial principal office of the corporation shall be located at 1040 West Washington Street, Greenville, South Carolina 29601. The registered office of the Association may be, but need not be, the same as the principal office.
3. Application: These By-Laws shall apply automatically to all members, owners, tenants of such owners, agents and employees of owners and tenants, and any other persons who use the Lots, or any part thereof, with the exception of the Declarant, except as provided for in the Declaration or as otherwise provided for herein.

ARTICLE II
Definitions

Unless otherwise provided in these By-Laws, all capitalized terms used herein shall have the same definitions as provided in the Declaration. Other terms used herein shall have such meanings and definitions as provided herein or in the Declaration. If a conflict in definitions exists between these By-Laws and the Declaration, the Declaration shall control.

1. "Articles means the Articles of Incorporation of the Association filed with the South Carolina Secretary of State.
2. "Board" or "Board of Directors" means the Owners who, selected pursuant to these By-Laws or the Articles, are vested with the management of the affairs of the Association in accordance with the Declaration of Covenants, Conditions, Easements and Restrictions for City Homes @ Calhoun (hereinafter referred to as "Declaration"), the Articles of the Association, these By-Laws, and the applicable law.
3. "Common Area" or "Common Areas" shall mean and include the real property and those facilities thereon, defined as such in the Declaration, together with easements and rights appurtenant and other appurtenances to the foregoing.
4. "Declarant" means 12 S. Calhoun Street, LLC, a South Carolina Limited Liability Company, and its successors and assigns.
5. "Declaration" means that certain Declaration of Covenants, Conditions, Easements and Restrictions for City Homes @ Calhoun, and any amendments thereto, recorded in the office of the Register of Deeds for Greenville County.
6. "Member" means an Owner, Co-Owner, Townhome Lot Owner and the Declarant (to the extent provided in the Declaration), and each of their respective heirs, representatives, successors and assigns. Any person becoming an Owner shall automatically become a member of the Association and be subject to these By-Laws, and this membership shall terminate without any formal action of the Association whenever such person or entity ceases to be an Owner, Co-Owner or Declarant, but such termination shall not relieve any such former owner from any obligation or liability incurred under or in any way connected with the Lot

during the period of such former owner's ownership and membership, or impair any remedies which the Board or the Association or others may have against such former Owner arising out of, or in any way connected with, such ownership and membership and the covenants and obligations incident thereto.

7. "Lots" or "Townhome Lots" shall mean and specifically refer to all the lots shown on the plat of City Homes @ Calhoun filed in the Office of the Register of Deeds for Greenville County, SC.

ARTICLE III Members

1. Members. The Members of the Association shall be defined as above in Article II.
2. Transfer of Membership. The membership of each Member in the Association shall be a right and obligation appurtenant to the ownership of the Unit owned by such member and shall automatically be transferred to and vested in a successor in fee simple title to said Member/Owner, whether the successor Member/Owner acquired title by deed or by operation of law. No specific or express documentation shall be required in connection with such transfers of membership in the association. Except as provided herein, no Member may assign, transfer, hypothecate, otherwise alienate all or any portion of a membership and the rights and obligations of such membership, nor may any party assume any of said Member's obligations hereunder.
3. Rights of Members. Each Member shall have the right to (a) use and enjoy, in common with all other Members and subject to the Declaration and rules and regulations adopted by the Board of Directors, the Common Area of the townhome development; and (b) vote as provided in these By-Laws.
4. Annual Meeting of Members. The annual meeting of Members shall be held at the principal office of the Association, or such other location within Greenville County, South Carolina as designated by the Board of Directors, on January 15 of each year, or at such other date and time as may be set by the Board of Directors each year for the purpose of election of the Board of Directors and for the transaction of such other business as may be brought before the meeting. If the day set for the annual meeting is a legal holiday, such meeting shall be held on the next succeeding business day.
5. Substitute Annual Meeting. If the annual meeting is not held in the month designated in these By-Laws, a substitute annual meeting, may be called in accordance with the provisions of Article III, Section 6 as in the case of special meetings. A meeting so called shall be designated and treated for all purposes as the annual meeting.
6. Special Meetings of Members. Special meetings of the Members may be held at the principal office of the Association, or elsewhere within Greenville County, South Carolina, whenever called in writing as provided in Article III, Section 7, by the President, by any two members of the Board of Directors of the Association, or by Members representing fifty percent (50%) of the membership entitled to vote.
7. Notice of Meeting. Notices of meetings shall be in writing, shall state the date, time and place of meeting, and shall be mailed or delivered by the Secretary to each Member of record at the member's last known address. The notice of each meeting shall be mailed or delivered by the

Secretary not less than twenty (20) days or more than forty (40) days prior to the date set for such meeting and as to special meetings, the notice shall indicate the purpose or purposes of such special meeting.

8. Quorum. Unless otherwise specified in the Declaration, at any meeting of the Members, fifty percent (50%) of the Members entitled to vote, present in person or represented by proxy, shall constitute a quorum of the membership for all purposes. If a quorum is not present the meeting may be recessed by the presiding officer at the time such meeting who shall state the date, time and place for the meeting to be rescheduled. Such verbal statement at the meeting being recessed shall be sufficient notice of the date, time and place of the rescheduled meeting.

The Members present at a duly organized meeting, at which a quorum is initially present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

9. Organization. The President, or, in his or her absence, the Vice President or Secretary, shall preside over all meetings of Members and the Secretary of the Association shall act as secretary at all meetings of the Members; provided, however, in the Secretary's absence, the President may appoint a Secretary for the meeting of the Members.
10. Voting. The Owners and Declarant shall have voting rights as set forth in Article II, Section 2, of the Declaration. Each Lot shall entitle its Owner(s) to the right to cast a single vote as set forth in the Declaration. If more than one Owner owns a Lot, only one vote having such percentage weight may be cast by the Owners of such Unit as Members of the Association as decided by such multiple Owners among themselves and so stated at the meeting.

The vote of a majority of the membership interest present at a duly called meeting of Members at which a quorum is present at the beginning of the meeting shall be the act of the Members on that matter, except as hereinafter provided.

The vote and signature on applicable documents of two-thirds of the membership interest eligible to vote, whether or not present at a meeting called for such purpose, shall be required to amend the Association's Articles of Incorporation or By-Laws; provided that no such amendment shall adversely and materially affect the rights of any existing mortgage holder of a Unit without the written consent of any such mortgage holder(s).

11. Voting by Proxy. The vote allocated to a Member may be cast pursuant to a dated written proxy signed by the member. A Member may not revoke a proxy except by appearing and voting at a meeting in person or by written notice delivered to the President prior to a meeting of the Association. A proxy terminates one year after its date, unless it specifies a shorter term.
12. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof, except when a Member attends a meeting for the express, limited purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required to have been given and any business may be transacted at such meeting.

13. Informal Action by Members. Any action which may be taken at a meeting of the Members

may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book.

14. Member Liability; Obligation for Assessments. A Member is not personally liable for the acts, debts, liabilities or obligations of the Association. A Member is, however, personally liable for the obligations of such Member set forth herein and in the Declaration.

If a Member fails to pay the annual or any special assessment set by the Board as provided herein within the specified time period for such payment, a late fee of not less than 1.5% per month may be added to the amount due until paid. Unpaid amounts shall constitute a personal obligation of the Owner and shall also be a lien upon the Owner's Townhome Lot as provided in the Declaration and these By-Laws, and the Governing Documents, and enforceable as provided in the Declaration, these By-Laws and the Governing Documents.

ARTICLE IV Board of Directors

1. Number and Term of Office. The business and affairs of the Association shall be managed by a Board of Directors of three (3) persons, who shall be Members of the Association. Service on the Board is expected of the members, and may be required of the members, as set forth and provided for in the Declaration and in the By Laws. The Board of Directors shall consist of three (3) Directors serving two (2) year terms (except as to the initial terms, which may be for one (1) year), unless otherwise approved by a majority of the members entitled to vote. Service on the Board shall be on the basis set forth on the Board Rotation Schedule attached to the Declaration as Exhibit D. For terms of service set forth for each Townhome Lot, the procedure shall be as follows: (1.) If only one owner of the Townhome Lot, then that owner, or his or her substitute nominee, shall serve as nominee for the Townhome Lot; (2.) If multiple owners of the Townhome Lot, then those owners shall submit the name of one of them as the nominee or, in the alternative, may submit the name of a substitute nominee; (3.) The members shall then vote on the nominee(s) in an election vote to fill the open Board position(s). All Townhome Lot owners have the right to make nominations for the open position, and any Townhome Lot owner desiring to nominate a member for the open Board position shall submit the name(s) of the nominee(s) to the Secretary. A substitute nominee of a Townhome Lot owner or owners must be a member of the Association who has consented and agreed to serve as a Director for the subject Townhome Lot term. Board members shall serve for the term designated, unless he or she dies, resigns, retires, is removed, or disqualified, or until his or her successor is elected and qualified. Each Director's successor shall be elected for a two-year term. As a part of the elective process replacement nominees for Townhome Lot terms may also be made by any of the members, and by majority vote of the members entitled to vote such nominees may be elected for the Townhome Lot Board term in replacement of the member designated by the owners of said Townhome Lot for such term. Any Director may also be removed from office for any reason by a majority vote of the members entitled to vote.

2. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, with the approval of the Board, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.
3. Nomination. After the first Directors selected above shall serve their terms as provided in these By-Laws, nominations for election to the Board for successor Directors thereafter shall be made as provided for in Paragraph 1 of this Article IV. Nominations may also be made from the floor at the annual meeting. Service on the Board is expected of the members, and may be required of the members, as set forth and provided for in the Declaration and in these By Laws.
4. Election. Except as provided in Sections 1 and 5 of this Article IV, Directors shall be elected at the annual meeting of the Members by written ballot. At such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be allowed.
5. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation, or removal of a Director, the remaining Directors shall have the right to select his or her successor who shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the remaining directors by special meeting duly called as provided in these By-Laws.
6. Action without Meeting. The Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all the Directors to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Board.

Meetings of the Board may be conducted by telephone conference call duly recorded in the minutes of the Association as to the business transacted.
7. Meetings. Meetings of the Board shall be held quarterly without notice, at such place and hour, as may be fixed from time to time by resolution of the Board. Special meetings of the Board may be called by the Chairman or by any two Directors after not less than ten (10) days notice to each Director.
8. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the Directors present at a duly held meeting shall be regarded as the act of the Board.
9. Chairman. A Chairman of the Board shall be elected by the Directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President of the Association shall serve as Chairman. In the event there is a vacancy in the office of Presidency, the vice-President shall serve as Chairman until a new President is elected.
10. Liability and Indemnification of Declarant and the Board. The Declarant, acting in the capacity of Incorporator and/or Manager of the Association, and members of the Board of Directors of the Association, shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or as otherwise provided under

South Carolina law or in the South Carolina Non-Profit Act, as amended (the "Act").

The Association shall indemnify and hold harmless the Declarant, and each of the members of the Board of the Association, against all contractual liability to others arising out of contracts made by the Declarant or Board on behalf of the Association unless any such contracts shall have been made contrary to the provisions of the Declaration, Articles, these By-Laws, South Carolina law, or, specifically, the Act. It is intended that the Declarant and members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, by-law, agreement, vote of Members or disinterested Directors, or otherwise, both as to action in his or her stated capacity and as to action in another capacity while serving as Declarant or holding office with Declarant, or a Director, or officer, employee or agent of Declarant or the Association and shall inure to the benefit of the heirs, personal representatives, guardians, and conservators of such a person.

The Association may purchase and maintain insurance on behalf of Declarant or any person who is or was a Director, officer, employee or agent of Declarant or the Association, or is or was serving at the request of the Association or Declarant as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability.

The Association's indemnity of the Declarant or any person who is or was a Director, officer, employee or agent of Declarant or another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (a) under any policy of insurance purchased and maintained on his or her behalf by the Association, or (b) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article, or elsewhere in these By-Laws, shall operate to indemnify the Declarant or any Director, officer, employee or agent of Declarant or the Association if such indemnification is for any reason contrary to any applicable state or federal law.

11. Powers and Authority of the Board of Directors. Subject to the provisions contained in the Declaration, the Articles, herein, and applicable law, the Board shall have the power and authority to exercise all of the rights and powers of the Association, including, but not limited to, the following powers:
 - A. To exercise all powers and authority granted to the Board in the Declaration, Articles, or Act;
 - B. To adopt rules and regulations governing the Townhome Development, including, but not limited to, the use of the Townhomes and the Townhome Lots, the Common Area and facilities, the personal conduct of the Members and their guests thereon, and the establishment of penalties for the infraction thereof;
 - C. To suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association upon notice to the Member of such default, and to suspend such rights, upon notice, for infraction of

published rules and regulations for a period not to exceed sixty (60) days;

- D. To declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board;
- E. To employ and dismiss a manager, independent contractors, agents or employees as it deems necessary and proper, and prescribe their duties and services, fix their compensation and require of them such security or fidelity bonds as the Board may deem appropriate;
- F. To procure, maintain, and pay premiums on any insurance policy or policies.
- G. To impose and receive any payments, fees or charges for the use, rental or operation of the Common Area or elements other than for service provided to Members;
- H. To employ attorneys and accountants to represent the Association when deemed necessary;
- I. To grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the Common Area and exterior portions of the Lots, as permitted in the Declaration, without the assent of the Members when such easements are granted by vote of the Board of Directors;
- J. To appoint and remove, at the pleasure of the Board, all officers of the Association and to prescribe their duties and require of them such security or fidelity bond as the Board may deem appropriate;
- K. To exercise all other powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration, and all Governing Documents, as any of the same may be amended, or applicable law;
- L. To exercise any other powers rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of South Carolina by law may now or hereafter have or exercise.

12. Duties of the Board of Directors. The Board of Directors shall have the following duties:

- A. To carry out the duties of the Board set forth in the Declaration, Articles, and these By-Laws;
- B. To cause the Townhome Lots and Common Area to be maintained, repaired, and replaced, as provided for in the Declaration;
- C. To cause debris to be removed from any Lot after damage or destruction where the Owner thereof fails to begin repair or reconstruction within thirty (30) days of such damage or destruction and to obtain payment for such removal as provided in the Declaration;
- D. To keep records of its meetings and corporate affairs and present a report thereof to the Members at the annual meeting;

- E. To supervise all officers, agents, and employees of the Association;
 - F. As more fully provided in the Declaration, to fix the amount of the annual assessment against each Lot as provided for in the Declaration, based on the projected budget for the annual assessment period;
 - G. To send written notice of each assessment to every Member at least thirty (30) days in advance of the due date for each annual assessment;
 - H. To assess late payment fees for past due assessments as provided in these By-Laws and to foreclose any unpaid assessments and liens resulting therefrom against any Lot for which assessments are not paid within thirty (30) days after due date and/or to bring an-action against the Member personally obligated to pay the same, as the Board may elect, in the reasonable discretion of the Board.
 - I. To issue, or have issued, for a reasonable charge, a certificate setting forth whether or not any assessment has been paid to or for the benefit of Members, the Board, or third parties requesting the same; provided, however, that if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - J. To procure and maintain hazard insurance on the Common Area and other property owned by the Association, and liability insurance insuring the Association and officers and directors thereof, in such amounts as the Board deems appropriate;
 - K. To cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as the Board may deem appropriate;
 - L. To collect assessments and enforce the payment thereof in accordance with the Declaration and these By-Laws; and,
 - M. To undertake any such other duties imposed on the Board by the Declaration or Governing Documents; and,
13. Management: The Board of Directors may employ for the Association a professional manager or management company, or agent, at such rate of compensation as the Board deems appropriate, to perform such duties and services as the Board shall authorize, and the Board may delegate such authority as is reasonable or appropriate for the performance of the duties and services by said manager, management company or agent.

ARTICLE V

Officers

- 1. Officers. The officers of the Association shall be a President, Vice-President, Secretary, and Treasurer, and such other officers as the Board may from time to time by resolution create. The President and Vice-President shall at all times be members of the Board of Directors.
- 2. Election of Officers. The election of the initial set of officers shall be made by the initial Board of Directors at a special meeting called for such purpose. Thereafter, the

election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. The members of the Board of Directors may also serve as the officers of the Association.

3. Term. Each officer of the Association shall be elected annually by the Board and each officer shall hold office for one (1) year or until his or her death, resignation, retirement, removal, disqualification, or his or her successor is elected and qualified.
4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.
5. Resignation and Removal. An officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President, or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.
7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except that, in the case of special offices created pursuant to Section 4 of this Article V, the same person may hold more than one of such offices. This provision shall not prevent an Officer from also serving as a member of the Board of Directors.
8. Compensation. No officer shall receive any compensation from the Association for acting as such, unless approved by a two-thirds majority of the Members entitled to vote.
9. Powers and Duties of the Officers.
 - A. The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board and the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments on behalf of the Association.
 - B. The Vice-President shall act in place of the President in the event of his or her absence, or his or her inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.
 - C. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board.

- D. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Board; shall sign all checks, promissory notes, and mortgages (such checks, promissory notes, and mortgages to be co-signed by the President) of the Association; shall keep proper books of account; shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each Member. The ministerial duties of the Treasurer, including signing checks and keeping books and records, may be delegated to a Management Company, accountant or agent retained by the Association.

ARTICLE VI

Books and Records

The books and records of the Association (the "Records") shall be maintained at the principal office of the Association or at such other place within Greenville County, South Carolina, as designated by the Board and such location shall be disclosed to the Members by notice or at the annual or special meeting. The Records shall, during reasonable business hours, be subject to inspection by any Member at the location at which they are maintained. Copies may be purchased at a reasonable cost to be set from time to time by the Board of Directors.

ARTICLE VII

Forms of Proxy and Waiver

1. Forms of Proxy. The following form of proxy shall be deemed sufficient, but any other form may be used which is sufficient by law:

City Homes @ Calhoun Owners Association, Inc.

Know all men by these presents that the undersigned member of City Homes @ Calhoun Owners Association, Inc. (the "Association") hereby constitutes and appoints the attorney-in-fact and proxy of the undersigned to annual and special meetings of the members of the Association, at which the undersigned is not present, until the Secretary of the Association receives from the undersigned a letter or other written notice revoking this proxy for and on behalf of the undersigned to vote as the undersigned would be entitled to vote if personally present, hereby ratifying and confirming all that said attorney-in-fact and proxy shall do on the premises, and giving and granting unto said attorney-in-fact and proxy full power of substitution and revocation of a period of one year from the date hereof.

Dated: _____ Member: _____

Witness: _____

2. Form of Waiver of Notice. The following form of waiver of notice shall be deemed sufficient, but any other form may be used which is sufficient at law:

City Homes @ Calhoun Owners Association, Inc.

We, the undersigned (Board or Association Members) of City Homes @ Calhoun Owners Association, Inc. do hereby severally waive notice of the time, place, and purpose of (the annual or special) meeting of the (Board or Association member) of the said Association, and consent that the same be held at _____ on the _____ day of _____, 2____, at _____ o'clock a.m./p.m., and do further consent to the transaction of any and all business of any nature that may come before the meeting.

Dated: _____

(Name printed here)

ARTICLE VIII

General Provisions

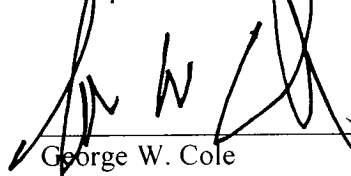
1. Amendments. Except as otherwise provided herein or in the Declaration, Articles, or Act, these By-Laws may only be amended or repealed, and new By-Laws adopted by the affirmative vote of two-thirds vote of the Members of the Association eligible to vote, whether or not present at a meeting called for such purpose.

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

2. Association Seal. A seal with the words "City Homes @ Calhoun Owners Association, Inc." on it shall be the common corporate seal of the Association and shall be in the custody of the Secretary.
3. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

WHEREAS, THE UNDERSIGNED, as Incorporator of City Homes @ Calhoun Owners Association, Inc., does hereby ratify and adopt the foregoing By-Laws as and for the By-Laws of City Homes @ Calhoun Owners Association, Inc., pursuant to section 33-2-106 of the S.C. Code of Laws, as amended.

"Incorporator"



George W. Cole

Dated: September 5, 2018

Exhibit D
Board Rotation Schedule For
City Homes @ Calhoun

2019 Lot 1 Lot 2 Lot 3
2020 Lot 2 Lot 3 Lot 4
2021 Lot 4 Lot 5 Lot 6
2022 Lot 5 Lot 6 Lot 7
2023 Lot 7 Lot 8 Lot 1
2024 Lot 8 Lot 1 Lot 2