

*Declaration Of Covenants, Conditions
And Restrictions For*

***ST. CHARLES
PLACE***

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ST. CHARLES PLACE SUBDIVISION

THIS DECLARATION is made on the date hereinafter set forth by Trinity Real Estate & Development, Inc., a South Carolina corporation with its principal place of business in Myrtle Beach, South Carolina, hereinafter referred to as "DECLARANT."

PURPOSE OF DECLARATION

DECLARANT is the fee simple owner of certain real property in Socastee Township, Horry County, South Carolina, which is more particularly described on Exhibit "A" attached hereto and incorporated herein.

DECLARANT intends to develop the real property above into a development to be known as *St. Charles Place* (hereinafter referred to as the "*Development*"). Declarant intends by this Declaration to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the property now or hereafter made subject to this Declaration, by the recording of this Declaration and amendments thereto, which is consented to by the Owner. Declarant also desires to establish a method for the administration, maintenance, preservation, use and enjoyment of the property that is now or hereafter subjected to this Declaration and certain other properties described in this Declaration.

DECLARANT has caused the Association, as hereinafter defined, to be formed as a non-profit corporation to perform certain functions for the common good and general welfare of the Owners, as hereinafter defined.

NOW, THEREFORE, Declarant does hereby declare that the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title, or interest in and to the described properties or any part thereof, their heirs, successors and assigns, and shall, subject to the limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, devisees, successors and assigns and to the benefit of the Association.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to St. Charles Place Owners' Association, its successors and assigns.

Section 2. "By-Laws of the Association" or "By-Laws" shall mean and refer to the By-Laws of the St. Charles Place Owners' Association, as amended from time to time, an initial copy being attached to this Declaration and incorporated herein.

Section 3. "Common Area" or "Common Property" shall mean all real property (including the improvements thereto) owned by the Association, or in certain instances over which the Association has been granted permanent easements, for the common use and enjoyment of the owners.

Section 4. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, both for general and parcel purposes, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 5. "Declarant" shall mean and refer to Trinity Real Estate & Development, Inc., a South Carolina corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, and provided further, in the instrument of conveyance to any successor-in-interest or assign, such successor-in-interest or assign is designated as the "Declarant" hereunder by the Grantor of such conveyance, which Grantor shall be the "Declarant" hereunder at the time of such conveyance. It being understood that as to all of the property described herein, and which is now or hereafter subjected to this Declaration, there shall be only one person or legal entity entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common Area.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Parcel Assessments" shall mean assessments for common expenses provided for herein or by any Subsequent Amendment which shall be used for the purposes of promoting the health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of any Residential Units against which the specific Parcel Assessment is levied and of providing the properties within a given Parcel with some common benefit or service such as cable television or garbage pick-up.

The Parcel Assessment shall be levied equally against Owners of Residential Units in a Parcel for such purposes that are authorized by this Declaration or by the Board of Directors from time to time.

Section 9. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS

Section 1. **Owners' Easements of Enjoyment.** Every owner shall have a right and easement in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, *subject to* the following provisions:

(a) the right of the Association to suspend the voting rights and right to use of any common areas by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations; provided, however, no suspension shall prevent an Owner's ingress to or egress from his lot.

(b) the right of the Association to dedicate or transfer the roads, streets and easements or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

Section 2. **Delegation of Use.** Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

ASSOCIATION MEMBERSHIP, VOTING RIGHTS AND CONTROL BY DECLARANT

Section 1. The Declarant has established the non-profit Association for the purpose of exercising powers of maintaining and administering common facilities and providing common services, administering and enforcing covenants, conditions and restrictions contained herein, and levying, collecting and disbursing assessments and charges herein created. Further, the Declarant reserves the rights to convey to the Association and the Association agrees to accept any and all of its rights and obligations set forth herein.

Section 2. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 3. The Association shall have two classes of voting membership:

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

Class B. The Class B Member shall be the Declarant and it shall be entitled to three (3) votes for each Lot owned; provided however, in no event shall the Class B Member have less than the total number of Class A votes plus one (1). The Class B membership shall cease and be converted to Class A membership as such time as Declarant no longer retains the right to appoint and remove members of the Board of Directors and officers of the Association pursuant to Section 7 below.

Section 4. The affairs of the Association shall be managed by a Board of Directors. The number of directors and method of election of Directors shall be as set forth in the By-Laws of the Association.

Section 5. Membership shall cease only when a person ceases to be an Owner.

Section 6. The procedures for the election of Directors of the Association and the resolution of such other issues as may be brought before the Membership of the Association shall be governed by this Declaration, the South Carolina Not-For-Profit Corporation Code, the Articles of Incorporation of the Association, and the By-Laws of the Association, a copy of which is attached hereto as Exhibit "B", as each shall from time to time be in force and effect.

Section 7.

(a) Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, on in the By-Laws of the Association, Declarant hereby retains the right to appoint and remove any members of the Board of Directors of the Association, and any officer or officers of the Association until fifteen (15) days after the first of the following events shall occur: (i) the date upon which all of the Lots intended by Declarant to be a part of the Development have been conveyed to Owners other than a person or persons constituting Declarant; (ii) December 31, 2007; or (iii) the surrender by Declarant of the authority to appoint and remove directors and officers by an express amendment to this Declaration executed and recorded by Declarant.

(b) Upon expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners, including Declarant if Declarant then owns one or more Lots; and a special meeting of the Association shall be called at such time. At such special meeting, the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board and the Declarant shall deliver the Books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements and contracts executed by or on behalf of the Association during such period which Declarant has in its possession. Each Owner by acceptance of a deed to or other conveyance of a Lot vests in Declarant such authority to appoint and remove directors and officers of the Association as provided in this Section. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual General Assessments or charges, (2) annual Parcel Assessments or charges, and (3) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. General Assessments shall be allocated equally among all Owners of any Lot and shall be for the benefit of the Association as a whole. Parcel Assessments shall be levied against Lots within the Properties for benefits and services that benefit less than the Association as a whole. The General and Parcel Assessments, and the special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien on the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual assessment for delinquencies.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, benefit, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Areas and any improvements thereon. The Association shall also have the right to levy assessments for the construction, maintenance, repair and operation of any off-site access or entrance roads, drainage easements, lake easements and related items benefitting the Association as determined by the Board of Directors.

Section 3. Maximum Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual General Assessment shall be Two Hundred Fifty and No/100 Dollars (\$250.00) per Lot.

(a) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten (10%) percent above the maximum assessment for the previous year without the assent of at least two-thirds of each class of members of the Association at a meeting called for that purpose with at least 60-percent of the lot owners present after adequate notice. If 60-percent do not attend, a second meeting may be called with the same notice and with the quorum reduced to 30-percent.

(b) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten (10%) percent by a vote of two-thirds of each class of members of the Association at a meeting called for that purpose with at least 60-percent of the lot owners present after adequate notice. If 60-percent do not attend, a second meeting may be called with the same notice and with the quorum reduced to 30-percent.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Parcel Assessments. In addition to the annual and special assessments above, the Association may levy, in any Assessment year and with such frequency as the Association shall deem necessary, Parcel Assessments for the purpose of paying, in whole or in part, the cost of estimated expenses for the sole benefit of particular Parcels, which Parcel Assessments shall be allocated equally among the Lots in a Parcel. Parcel Assessments may be used to collect fees and expenses for Residential Units for cable television, garbage collection, security, etc., or other services or benefits that inure only to improved and occupied Lots. In the event any Lot is combined with an adjacent Lot as authorized in Article VII, Section 8 herein, the Association shall have the right, but not the obligation, to exempt said combined Lot from all or part of the Parcel Assessments.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3, 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 3, 4 or 5 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessments. Both annual General and Special Assessments must be fixed at a uniform rate for all Lots and may be collected on an annual, quarterly or a monthly basis, as determined by the Board.

Section 8. Date of Commencement of Annual Assessments; Due Dates; Declarant's Rights. The annual assessments provided for herein shall commence on the conveyance of the first lot by Declarant to a Purchaser. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors.

Notwithstanding anything to the contrary herein, so long as Declarant is the owner of any Lot in the Properties, in lieu of paying general or parcel assessments on the unsold Lots, the Declarant shall have the option of funding the difference between the amount of assessments levied on all Lots subject to assessments and the amount of actual expenditures required to operate the Association during the fiscal year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these. The Declarant shall have the right to select its method of payment on an annual basis.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum rate allowable by law. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. All such assessments, together with interest, costs and reasonable attorney's fees as stated herein, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made.

During any period in which an Owner shall be in default in the payment of any general, parcel or special assessment levied by the Association, the voting rights of the Owner and the rights of the Owner and Lessees of the Owner, their families, invitees, tenants and guests, to use and enjoy the Common Area may be suspended by the Board of Directors until such time as the assessment has been paid in full. Nothing herein shall give the Board of Directors the right to prohibit any owner, his family, invitees, tenants or guests from gaining access to his Lot.

Section 10. Subordination of the Lien to First Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot, pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Capital Reserve Budget and Contribution. The Board of Directors shall annually prepare a capital reserve budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital reserve contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital reserve budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital reserve contribution required shall be fixed by the Board and included within the budget and assessment, as provided in Section 2 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget. The maximum assessment hereunder may not be increased by more than ten (10%) percent of the prior year's assessment, without the assent of at least two-thirds of each class of members of the Association at a meeting called for that purpose with at least 60-percent of the lot owners present after adequate notice. If 60-percent do not attend, a second meeting may be called with the same notice and the quorum may be reduced to 30-percent.

Section 12. Capitalization of Association. Upon acquisition of record title to a Lot from Declarant or upon resale to any other party, each Owner shall contribute to the capital of the Association an amount equal to no greater than one-quarter of one percent (0.0025%) for that Lot as determined by the Board; provided, however, said contribution amount shall not be less than \$100.

Section 13. Certificate of Payment. Upon written demand by an Owner, the Association shall within a reasonable period of time issue and furnish to such Owner a written certificate stating that all assessments (including penalties, interest and costs, if any) have been paid with respect to any Lot owned by said Owner as of the date of such certificate, or that all assessments, interest and costs have not been paid, setting forth the amount then due and payable. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as provided herein, shall be con-

clusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser of, or lender on, the Lot in question.

ARTICLE V

RIGHT OF ASSOCIATION TO ALTER, IMPROVE, MAINTAIN, REPAIR AND ACCEPT PROPERTY; OWNER'S RESPONSIBILITY

Section 1. The Association shall have the right to make or cause to be made such alterations, modifications, improvements, repairs, maintenances and replacements to the Common Areas or Association properties or easements set forth herein, and the cost thereof shall be assessed as common expenses and collected from the Owners on an equal basis as required in this Declaration.

Section 2. Association's Responsibility. Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas and Association properties, which responsibility shall include the maintenance, repair and replacement of: (1) all roads, trails, fences, parking lots, landscaped areas/natural areas and other improvements situated within the Common Areas or within easements shown on the said plats; (ii) such security systems and utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the Common Areas and which are not maintained by the Declarant or a public authority, public service district, public or private utility or other person; and (iii) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within the Common Area as it may be constituted from time to time. The Association shall not be liable for injury or damage to any person or property (A) caused by the elements or by any Owner or any other person, (B) resulting from any rain or other surface water which may leak or flow from any portion of the Common Area, or (C) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system or utility line or facility, the responsibility of the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored or left in or upon any portion of the Commons Areas or any other portion of the Common Areas or any other portion of the Subdivision. No diminution or abatement of assessments or any dues or charges shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of each Owner.

Section 3. Conveyance of Common Property By Declarant to Association. The Declarant may transfer or convey to the Association any personal property and any improved or unimproved real property, leasehold, easement or other property interest which is or may be subjected to the terms of this Declaration. Such conveyance shall be accepted by the Association, and the property shall thereafter be Common Area Property to be maintained by the Association for the benefit of all of its Members. Drainage ways, if any, shall without limitation be included in the property that may be conveyed by Declarant and which shall be accepted by the Association. In the event the roads and streets within the Development are not dedicated and accepted by Horry County as public roads and streets, the Association shall be required to accept the roads and streets, and the easements pertaining thereto, without a vote of both classes of members of the Association.

Section 4. Owner's Responsibility. In accordance with this Declaration, as may be amended from time to time, each Owner, at the time of construction of any dwelling or residence on a Lot, shall be responsible and required to construct a sidewalk adjacent to the right-of-way of any street. Such sidewalk shall be in accordance with the requirements of the Association. All maintenance of the residence, sidewalk and other improvements on a Lot shall be the sole responsibility of the Owner thereof, who shall perform such maintenance in a manner consistent with the community-wide standard of the project as determined by the Association and the applicable covenants; provided, further, the Owner shall be responsible for mowing any grass that may be within the Lot or extend beyond to the pavement of the street or right-of-way adjacent to the residence; provided, further, if this work is not properly performed by the Owner, the Association will perform it promptly and assess the Owner; provided, however, whenever entry is not required in an emergency situation, the Association shall afford Owner reasonable notice and an opportunity to cure the problem prior to entry on any Lot.

ARTICLE VI

ARCHITECTURAL STANDARDS AND CONTROL

No houses, buildings, fences, walls or other structures shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography by the Association, or by an Architectural Review Board (the "ARB") composed of three or more representatives appointed by the Association. The Association or its ARB shall have the absolute right to refuse approval of plans, location or specifications herein required upon any ground which is consistent with the objectives of this Declaration, including purely aesthetic considerations, so long as such ground is not arbitrary and capricious. In the event the Association or its ARB fails to approve or disapprove such plans, specifications, design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. No house, building, structure or dwelling of any kind shall be built, remodeled or maintained upon the Properties until the Association, or its ARB, shall determine and approve a "*minimum slab elevation*" and the location on the Lot. The Association, or its ARB, shall adopt and publish Design Guidelines and Landscaping Guidelines, along with other reasonable guidelines, for use in the subdivision, which may be modified or amended from time to time, and may include a reasonable and appropriate fee to cover the cost of review of plans and specifications and of inspections performed to assure compliance and cleanup.

ARTICLE VII

USE RESTRICTIONS AND EASEMENTS

Section 1. The Properties shall be used only for single-family residential and related purposes as may more particularly be set forth in this Declaration, or any Amendments thereto. The Association, acting through its Board of Directors, shall have standing and the power to enforce use restrictions contained in any such declaration as if such provisions were a regulation of the Association. The Association, acting through its Board of Directors, may also adopt additional reasonable rules and

regulations governing the use of the Common Areas and Properties, and shall have the authority to enforce the same, including the right to assess fines and penalties.

Section 2. No noxious or offensive activity shall be carried on upon any lot, or shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants, poultry, livestock or animals (other than household pets) or devices or things of any sort, the normal activities or existence of which is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owner thereof.

Section 3. No immoral, improper, offensive, or unlawful use shall be made of the property of the owners nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modifications or repairs shall be the same as the responsibility for the maintenance and repair of the property concerned.

Section 4. Each and every owner shall maintain and repair his property and maintain same in a neat and attractive manner, and no owner shall allow his property to jeopardize or adversely affect the overall appearance, safety, and soundness of the entire properties. In the event any building, house, garage or other improvement on a Lot is extensively damaged by fire or other casualty, the Owner thereof shall be required to repair such damage or clear the Lot within a reasonable period of time.

Section 5. No pets or animals of any kind shall be allowed on the walkways, roadways, or parking area, except for the limited purpose of ingress and egress, unless on a leash. The Association may adopt reasonable rules and regulations regarding pets in the Development.

Section 6. No structures shall be erected, altered, placed or permitted to remain on any one lot other than one (1) attached single family dwelling of not less than 1,100 square feet of heated space exclusive of porches and decks. Said dwelling shall not exceed two (2) stories in height above ground level. No dwelling shall be utilized for any activity normally conducted as a business.

Section 7. No lot shall be subdivided except as hereinafter provided. In approving plans and specifications for any proposed residential dwelling, the Association or its ARB may establish setback requirements for the location of such dwelling or residence. Guidelines for setbacks may be included in the Design Standards of the ARB. No dwelling, residence or other structure shall be erected or placed on any Lot unless its location is consistent with such setbacks.

Section 8. Lot or lots may be subdivided provided the effect is to increase the size of the adjoining lot or lots. In such cases, the Association may alter the building lines to conform. Should the owner or owners of any lots and/or portions of lots which have been combined for a single building site subsequently wish to revert to the original plan of sub-division, or make any other combination which would not be in violation of this restriction, that may be done only if the written consent of the Association is first had and obtained. In such instances, the adjoining lot owners, or owner in the subdivision do not have the right to pass on or interfere with such lots rearrangement, but such rights shall be exclusively that of the Association or any successors and assigns to whom the Association may expressly transfer such rights, but the purchaser of any other lot in the subdivision does not, by virtue of this status as a purchaser, become any such successor or assign.

Section 9. Where because of the size, natural terrain, or any other reason in the opinion of Declarant, it should be in the best interest of the development of this subdivision that the building lines of any lot should be altered or changed from those set forth herein or shown on any recorded plats of the Properties, then Declarant reserves unto itself the right to change the said lines to meet such conditions. No changes under this paragraph shall be permitted as to any lot after said lot has been sold by Declarant, without the written consent of the Association, which consent shall be recorded in the public records of Horry County, South Carolina.

Section 10. All electrical service and telephone lines shall be placed underground and no outside electrical lines shall be placed overhead. No exposed or exterior radio or television transmission or receiving antennae or satellite disc shall be erected, placed or maintained on any part of the premises unless approved by the Association, which may adopt reasonable rules and regulations regulating such antennae or satellite discs.

Section 11.

(a) No signs whatsoever (including, but not limited to commercial and similar signs) shall, without the ARB's prior written approval of plans and specifications therefore, be installed, altered or maintained on any Lot, or on any portion of a residence or other structure visible from the exterior thereof, except:

(i) Such signs as may be required by legal proceedings and for display of all building permits;

(ii) For so long as Declarant has the authority to appoint and remove Directors and Officers of the Association, a Realtor and/or individual may place not more than one "For Sale" sign in the front yard of any improved Lot. Under no circumstances shall a "For Sale" sign other than Declarant's or Declarant's sales agent be placed on an unimproved Lot;

(iii) No more than one lot identification sign in accordance with plans and specifications approved by the ARB;

(iv) Directional signs for vehicular or pedestrian safety in accordance with plans and specifications approved by the ARB.

(b) In no event during the approved construction of any dwelling, residence or other structure shall more than one job identification sign be approved by the ARB.

Section 12. The Association shall have the option of requiring uniform mail receptacles for delivery of all mail within the subdivision and it, or its ARB, shall determine the location, color, size, design, lettering, and all other particulars of all mail and/or paper delivery boxes, and standards and name signs for such boxes in order that the area may be strictly uniform in appearance with respect thereto.

Section 13. No derrick or other gas structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of such premises, nor shall any oil, natural gas, petroleum, asphaltum, or hydrocarbon products or minerals of any kind be produced or extracted from the premises.

Section 14. Each lot owner shall provide garbage disposal receptacles or similar facility or a roll out garbage rack of a type approved by the Association which shall be visible from streets on garbage pick up days only. No garbage or trash incinerators shall be permitted upon the premises.

Section 15. No structure of a temporary character shall be placed upon any lot at any time, provided however, that this prohibition shall not apply to shelters used by the contractor during the period of construction, it being clearly understood that these latter temporary shelters may not, at any time, be used as residence or permitted to remain on the lot after completion of construction.

Section 16. No trailer, mobile home, tent, barn, tree house, or other similar outbuilding or structure shall be placed on any lot at any time, except that a detached storage shed or garage may be constructed which is similar in style, construction and appearance to the residence on the lot. Any such shed or garage must be approved in writing by the Association and be in conformity with the architectural and design controls of the subdivision.

Section 17. No boats, jet skis or boat trailers may be maintained on the premises for a period in excess of seventy-two (72) hours unless same is in an enclosed area or otherwise completely screened from view.

Section 18. No fuel tanks or similar storage receptacles may be exposed to view. The Association may adopt reasonable rules and regulations for propane or fuel tanks for fireplaces.

Section 19. No clothesline or drying yard shall be located upon the premises unless same is completely screened from view.

Section 20. No individual water supply system shall be permitted upon the premises with the exception of a shallow well to be used for irrigation, heating, and air conditioning system purposes only, which shallow well shall be approved in writing in all aspects, including the pump and the covering or screening thereof, by the ARB prior to installation.

Section 21. No commercial vehicles (to specifically include step-vans), house trailers, mobile homes, motor homes, recreational vehicles, campers, trucks with camper tops, or like equipment of any kind shall be permitted on any Lot or within the right-of-way of any street in the Development on a permanent basis, but shall be allowed on a temporary basis not to exceed seventy-two (72) consecutive hours; *provided, however*, an Owner or resident within the subdivision shall be authorized to have a pickup truck with a company name or logo on the truck, subject to the rules and regulations of the Association. Notwithstanding the foregoing, any such vehicles or equipment may be stored on a Lot provided such vehicle or equipment is kept in an enclosed space and is concealed from view of neighboring residences and streets.

Section 22. No septic tank or other private or individual sewage disposal facility shall be placed upon any lot in the subdivision for the collection and disposal of sewage but only the public system provided for the development shall be used as the sole means of sewage disposal for the premises.

Section 23. The Declarant herein shall not in any way or manner be held liable or responsible for any violation of these restrictions by any person other than itself.

Section 24. No elevation or topography changes shall be permitted on any lot which materially affects the surface grade or drainage on said lot or adjoining lot or property. The Declarant reserves to itself or its designated representatives, the right to build any bridges, walkways, ramps, or fixed spans across any or all natural, or man-made canals, creeks or lagoons in the development.

Section 25. The exterior of all buildings, landscaping, side walks, and other structures, must be completed within six (6) months after the construction of same shall have commenced except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities. No structure may be temporarily or permanently occupied until the exterior thereof has been completed and at least "minimum" landscaping as approved by the Association has been completed.

Section 26. No structure previously erected on another site shall be permitted to be moved onto a lot covered by these restrictions, it being the intent that all construction will be new construction compatible with other dwellings in the neighborhood.

Section 27. Any fences and walls sought to be constructed on any lot shall require the specific approval of the ARB as to location, size, composition, configuration, exterior materials, color and other similar matters, which approval may be withheld for purely aesthetic considerations. No chain-link fences are allowed. No hedge, shrubbery or vegetation of any kind shall be grown or placed in the form of a fence on any of the lot or lots herein referred to across the front street line of the said lot or lots, or on either of the side lines of the said lot or lots until such time as the ARB approves same as to location.

Section 28. Each Owner shall keep and maintain each Lot and structure thereon owned by him, as well as all landscaping located thereon, in good condition and repair, including but not limited to (i) the repairing and painting (or other appropriate external care) of all structures, (ii) the seeding, watering and mowing of all lawns, (iii) construction and maintenance of sidewalks adjacent to all streets, and (iv) the pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of a view by motorists or pedestrians of street traffic. All unimproved Lots shall be kept in a reasonable neat and clean condition. Notwithstanding the foregoing, the maintenance required hereunder shall also extend from the boundary of a Lot to the curbing or edge of the right-of-way bordering said Lot, including the sidewalk. If in the opinion of the Association or its ARB, any Owner shall fail to perform the duties imposed by this Section, the ARB shall notify the Association. If the Association's Board shall agree with the determination of the ARB with respect to the failure of said Owner to perform the duties imposed by this Section, then the Board shall give written notice to the Owner to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the Owner shall fail to take reasonable steps to remedy the condition with thirty (30) days after the mailing of said written notice by certified mail, then the Association shall be authorized to remedy the condition and assess the Owner of said Lot with the reasonable costs thereof. Such assessment shall be collected in the same manner provided for General Assessments herein, including the right of the Association to lien the Lot and pursue collection remedies for non-payment, together with reasonable attorneys fees and costs.

Section 29. In order to implement effective insect, reptile and woods fire control, and to maintain the overall beauty of the neighborhood, the Declarant and his agents have the right to enter upon any property on which a building or structure has not been constructed and upon which no landscaping

plan has been implemented, such entry to be made by personnel with tractors or other suitable devices for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, or other unsightly growth, which in the opinion of the Association detracts from the overall beauty, setting and safety of the Property. The cost of this vegetation control shall be paid by the Owner of the lot or lots. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed as trespass. The Association and its agents may likewise enter upon such land to remove any trash which has collected on such lot or lots without such entrance and removal being deemed as trespass. The provisions of the paragraph shall not be construed as an obligation on the part of the Association to mow, clear, cut or prune any lot or lots nor to provide garbage or trash removal services.

Section 30. All driveways, turn-around spaces and areas normally used for parking automotive vehicles must be suitably paved with concrete as approved by the Association.

Section 31. Some lots have an appropriate site for a pool and requests to the ARB for approval of pools for specific lots will be handled on a lot-by-lot basis and shall be handled in the same manner as requests for any other type improvement. No above ground pools shall be allowed unless approved by the Association or its ARB.

SECTION VIII

EASEMENTS

Section 1. Declarant does hereby establish and create for the benefit of the Association and for all Owners, from time to time, of Properties and subsequently annexed property (if brought within the scheme of this Declaration), and does hereby give, grant and convey to each of the aforementioned, the following easements, licenses, rights and privileges:

(a) Right-of-way for ingress and egress by vehicles or on foot, in, through, over, under and across the lands of Declarant from Stonebridge Drive (as shown on the aforesaid plat of the Subdivision and any future recorded plats of additional Properties within St Charles Place Subdivision) to the streets, roads and walks of St. Charles Place Subdivision for all purposes, including a right-of-way across Lot 25, Stonebridge, Phase I, as shown on the aforesaid plat of the Development;

(b) Right-of-way for ingress and egress by vehicles or on foot, in, through, over, under and across the streets, roads, walks, and on the Properties (as shown on the Site Plan as they may be built or relocated in the future) for all purposes and (if the owners of a section of a street, road or walkway fail to maintain the thruway) the right to maintain and repair the same;

(c) Rights to connect with and make use of utility lines, wires, pipes, conduit, cable television lines, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Properties and (if the owners of land upon which sections of lines, wires, pipes, conduits, cable television lines, sewers or drainage lines are located neglect to keep them adequately maintained) the rights to maintain and repair the same.

Section 2. Until Declarant sells and closes the last lot in St. Charles Place, Declarant reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across Properties, for the purpose of completing its work in the real property described on Page One (1) hereof and development of the additional properties if it is brought within the scheme of this Declaration and, towards this end, reserves the right to grant and reserve easements and right-of-way in, through, under, over and across the Properties for the installation, maintenance and inspection of lines and appurtenances for public or private water, underground sprinklers, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Declarant also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Properties. Finally, until the sale and closing of the last lot in St. Charles Place, Declarant reserves the right to continue to use the Properties, Common Properties, and any roadways, walkways, sales offices, if any, model home(s), signs and parking spaces located on the Properties, in its efforts to market lots and homes constructed on the Properties. **This paragraph may not be amended without the written consent of Declarant.**

Section 3. The Association is granted a non-exclusive ten foot (10') easement of ingress and egress over and upon all Lots adjacent to lakes, if any, for the purpose of providing necessary or desirable maintenance to such waterways or to the land between the low-water line and the property line of such Lot, as required. The easement and right herein reserved shall include the right to cut, remove and plant trees, bushes or shrubbery and other vegetation and the right to grade the land covered by the easement. Notwithstanding anything herein to the contrary, the easements granted herein shall be along side and rear Lot lines, and not any portion of the interior improved area of a Lot.

Section 4. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant, its successors and assigns, the perpetual, alienable and transferable right and easement in and to the Property for the maintenance of signs, sales offices, rental offices, property management offices, construction offices, business offices and model Dwellings, together with such other facilities as in the sole opinion of Declarant reasonably may be required, convenient or incidental to the completion, management, rental, improvement and/or sale of Dwellings, Common Areas or the Additional Property. **This paragraph may not be amended without the written consent of Declarant.**

Section 5. There is hereby created for the benefit of Declarant, the Association and their respective successors and assigns the alienable, transferable and perpetual right and easement, as well as the power to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person upon, over, under and across: (i) all of the Common Areas; (ii) an area across every Lot not to exceed five feet (5') in width along the front and side boundary lines thereof, and ten feet (10') in width along the rear boundary lines thereof (as shown on the aforesaid plats of the subdivision), for the purpose of installing, repairing, maintaining and using master television antenna and/or cable systems, security fences and similar systems, and all utilities, including but not limited to storm sewers and drainage systems and electrical, gas, telephone, water and sewer lines. Existing easements are shown on the subdivision plat prepared by Culler Land Surveying Co., Inc., described hereinabove. Other such easements may be granted or accepted by Declarant, its successors and assigns or by the Board of Directors. To the extent possible, all utility lines and facilities serving the Subdivision and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Subdivision so encumbered: (i) to erect and maintain pipes,

lines, manholes, pumps and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems.

ARTICLE IX

MORTGAGEE PROVISIONS

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

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first mortgagee, upon written request to the Association (designating the name and address of such holder, insurer, guarantor, and the Lot number therefore becoming an "eligible holder") will be entitled to timely written notification from the Association of:

(a) any condemnation loss or any casualty loss which affects a material portion of the development or which affects any residence or Lot of which there is a first mortgage held, insured, or guarantee by such eligible holder;

(b) any delinquency or default in the performance by an Owner of the Properties or Lot subject to the mortgage of such eligible holder of any obligation under this Declaration, the By-Laws, or the Articles of Incorporation which is not cured within sixty (60) days;

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

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

Section 2. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds ($\frac{2}{3}$) of the first mortgagees or at least two-thirds ($\frac{2}{3}$) of the total Members of the Association entitled to vote thereon consent, the Association shall not:

(a) by act or omission seek to abandon, alienate, release, partition, hypothecate, subdivide, encumber, sell, or transfer any common area owned, directly or indirectly by the Association for the benefit of the Properties except as otherwise authorized herein; provided, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Area shall not be deemed a transfer within the meaning of this clause;

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an owner;

(c) by act or omission change, waive, or abandon the system of regulations and enforcement established in this Declaration for architectural design or the exterior appearance and maintenance of the Properties, and the maintenance of the Common Area in the Properties; or

(d) use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement, or reconstruction of such Common Area.

Section 3. Payment of Taxes. First mortgagees of the Properties may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Area. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 4. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any owner or any other party priority over any rights of the first mortgage in the case of a distribution to such owner of insurance proceeds or condemnation awards for losses to or a taking of Common Area.

Section 5. Management Agreement Limitations. Notwithstanding anything contained herein which might otherwise be construed to the contrary, any agreement for professional management of the development, or any other agreement providing for services by the Declarant, may not exceed one (1) year and must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or fewer written notice.

ARTICLE X

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area and may, by written agreement with any other association in the Properties subject to this Declaration, assume the insurance responsibility for the property held by or the responsibility of such other association against loss or damage by fire or other hazards, including extended coverage vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall also obtain a public liability policy covering the Common Area, the Association, and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have such limits, deductibles and be in amounts determined by the Association's Board of Directors. Premiums for all insurance on the Common Area shall be common expenses of the Association; premiums for insurance provided to other associations shall be charged to those associations. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

Cost of insurance coverage obtained for the Common Area shall be included in the General Assessment, as defined in Article IV.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association, as Trustee, for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth.

(a) All policies shall be written with a company doing business in South Carolina and holding a rating of A or better in the Financial Category as established by A.M. Best Company, Inc., if available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of the Association, its successors and assigns, as their interests may appear.

(c) Exclusive authority to adjust losses under policies in force on the Property obtained by the Association shall be vested in the Association's Board of Directors; provided, however, that no mortgagees having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual owners, occupants, or their mortgagees, and the insurance carried by the Association will be primary.

(e) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the owners and their respective tenants, servants, agents, and guests;

(ii) A waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) That no policy may be canceled, invalidated, or suspended on account of any one or more individual owners;

(iv) That no policy may be canceled, invalidated, or suspended in account of the conduct of any director, officer, or employee of the Association or its duly authorized Manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its Manager, any owner or mortgagee; and

(v) That any "other insurance" clause in any policy exclude individual owners' policies from consideration.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be

disbursed in payment of such repairs or reconstruction, as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area, or in the event no repair or reconstruction is made after making such settlement as is necessary and appropriate with the affected owner or owners and their mortgagee(s), as their interests may appear, shall be retained by and for the benefit of the Association. This is a covenant for the benefit of any mortgagee of the Properties, lots or improvements thereon and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 3 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 2(a) hereof.

Section 3. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.

Section 4. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's members, levy a special assessment against all owners in proportion to the number of Lots owned by such owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the cost of repair, such excess shall be deposited to the benefit of the Association.

ARTICLE XI

CONDEMNATION

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board, acting on its behalf or on the written direction of all Owners of lots and/or Properties subject to the taking, if any) by any authority having the power of condemnation or eminent domain, each owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, unless otherwise prohibited by law. The award made for such taking shall be payable to the Association, as Trustee for all owners, to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after taking the Declarant and at least seventy-five (75%) percent of the Class "A" members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area, to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article X hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

ARTICLE XII

CABLE TELEVISION BULK SERVICE AGREEMENT

The Association shall have the right, but not the obligation, to enter into an exclusive Cable Television Bulk Service Agreement ("Agreement") with a cable television ("CATV") provider for the distribution of CATV to the Subdivision and the Members' residences thereof, which Agreement may require the payment of the basic subscription rate for CATV service by the Association instead of by the individual Members or subscribers. In the event such an Agreement is executed by the Association, each Member thereof shall pay his or her pro-rata share of the basic subscription service directly to the Association as billed monthly, quarterly, semiannually or annually, as determined by the Association. The charges for the CATV service shall be treated as an assessment and in the event of non-payment shall be collected as provided in this Declaration for delinquent assessments. Furthermore, and in addition to the rights of the Association to collect past due assessments, any non-payment of the CATV assessments when due shall give the Association the right to terminate said CATV services until payment has been made. The Association shall have the right, acting through its Board of Directors, to adopt rules and procedures for CATV services under said Agreement, in accordance with any requirements or terms from the CATV provider.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. **Enforcement.** The Declarant, Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now and hereafter imposed by the provisions of this Declaration. Failure by the Declarant, the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver or the right to do so thereafter. The prevailing party in any enforcement action shall be entitled to recover all costs, including reasonable attorney's fees.

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

Section 3. **Duration.** The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, provided, however, that after the end of the said twenty (2) year period and during any ten (10) year renewal period (but only during such renewal period), this Declaration and the Restrictions contained herein may be terminated by an instrument executed by the proper Association officers and recorded in the in the Office of the Register of Mesne Conveyance for Horry County, or in such other place of recording as may be appropriate at the time of the execution of such instrument, pursuant to a resolution approving such termination which is approved by a two-thirds ($\frac{2}{3}$) vote of those Class A Members of the Association who are present in person or by proxy, and voting at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association.

Section 4. **Amendment By Declarant.** During any period in which the Declarant retains the right to appoint and remove any Directors and Officers of the Association, Declarant may amend this Declaration by an instrument in writing, executed and recorded in the in the Office of the Register of Mesne Conveyance for Horry County, or in such other place of recording as may be appropriate at the time of the execution of such instrument, without the approval of any Member or mortgagee; *provided, however,* that (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of such Owner's Lot or of the Common Area as set forth in this Declaration or if such amendment adversely affects the title to any Lot, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Members affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security title and interest of any mortgagee, such amendment shall be valid only upon the written consent thereto of all such mortgagees so affected. Any amendment made pursuant to this Section 4 shall be certified by Declarant as having been duly approved by Declarant, and such Members and mortgagees, if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section 4 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to this Development (i) if such amendment is necessary to bring any provision hereof or thereof into compliance with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration, (iii) if such

amendment is required by an institutional or governmental lender, purchaser or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make loans on the Lots subject to this Declaration, (iv) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration, or (v) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration.

Section 5. Amendment By Association. Amendments to this Declaration, other than those authorized by Section 4 hereinabove, shall be proposed and adopted in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each Member of the Association.

(b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board or by Members of the Association. Such amendment must be approved by Members holding at least two-thirds ($\frac{2}{3}$) of the total votes in the Association; *provided, however*, (i) that any amendment which materially and adversely affects the security title and interest of any mortgagee must be approved by such mortgagee, and (ii) during any period in which Declarant has the right to appoint and remove Directors and Officers of the Association, such amendment must be approved by Declarant.

(c) The agreement of the required percentage of the Owners and, where required, the Declarant and any mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, and provided that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice president or the Secretary of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

Section 6. No Partition. Except as is permitted in the Declaration, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any such judicial partition until the happening of the conditions set forth in Article X, Section 3, in the case of damage or destruction, or unless the Properties have been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Section 7. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability

to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 8. **Annexation.**

(a) Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members except as in herein set forth.

(b) Additional Land may be annexed to the Property by the Declarant without the consent of the members so long as Declarant has authority to appoint and remove directors and officers of the Association, or until December 31, 2007, whichever occurs first. Such annexation shall be accomplished by filing in the Office of the Register of Mesne Conveyance for Horry County, South Carolina an approved subdivision plat describing the real property to be annexed to the Property and by including on such subdivision plat a statement that expressly sets forth the Declarant's intention to make such annexed real property subject to the provisions of this Declaration; or by filing an amendment to the Declaration which has been consented to by the owners of the real property to be annexed if any portion of such real property is owned by someone other than Declarant.

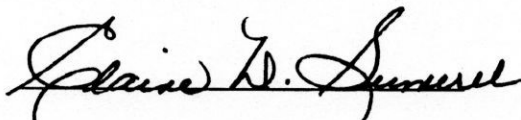

Section 9. **Gender.** Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

Section 10. **No Reverter.** No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

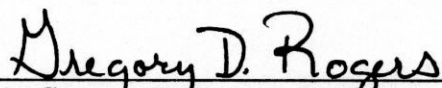
Section 11. **Consent And Joinder Of Mortgagee.** The holder of any mortgage on the date hereof has acknowledged its consent to subordinate the lien of said mortgage to this Declaration on Exhibit "C" attached hereto.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has signed and sealed this Declaration this 1st day of July, 1997.

*Signed, Sealed and Delivered
In The Presence Of:*

TRINITY REAL ESTATE & DEVELOPMENT, INC.
a South Carolina corporation ("*Declarant*")

By:  (L.S.)
Gregory D. Rogers, President
& Sole Authorized Signatory

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)

ACKNOWLEDGMENT
{§30-5-30(C)}

I, R. DEAN WELCH, a notary public for South Carolina, do hereby certify that Gregory D. Rogers, President of Trinity Real Estate & Development, Inc., personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal this 1st day of July, 1997.

R. Dean Welch (Seal)
Notary Public for South Carolina

My Commission Expires: 12/05/2005

Exhibit "A" - Property Description

ALL AND SINGULAR, that certain piece, parcel or tract of land situate, lying and being in Socastee Township, Horry County, South Carolina, more particularly shown and described as **ST. CHARLES PLACE** on a plat entitled "*Bonded Final Plat of St. Charles Place (PUD)*" prepared for Trinity Real Estate & Development, Inc. by Michael S. Culler, Jr., R.L.S., of Culler Land Surveying Co., Inc., dated February 14, 1997 (revised March 27, 1997 and June 25, 1997), and recorded July 8, 1997, in Plat Book 148, at Page 249 in the Office of the Register of Mesne Conveyance for Horry County, which plat is incorporated herein by reference. The tract according to said plat contains 13.18 acres and includes 51 lots, St. Charles Circle (50' R/W Private) and Common Area.

This being the identical two parcels conveyed to Trinity Real Estate & Development, Inc. by deed from Sovereign Land Corporation, dated October 31, 1996, recorded November 1, 1996, in Deed Book 1899, at Page 255, Horry County RMC.