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**FEBRUARY 2016 AMENDMENT TO THE  
DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR  
SHILOH CREEK**

This amendment ("Amendment") to the *Declaration of Covenants, Conditions, and Restrictions for Shiloh Creek Phase I* ("CCRs") is hereby made by Quickdraw Developments, LLC and Lacombe Group USA, Inc. (collectively, and as successors-in-interest to Shiloh Creek, LLC and Aho Homes, LLC, "Declarant").

**WITNESS TO:**

WHEREAS, the CCRs were recorded on October 2, 2007 at Book 8284, Page 228 in the Office of the Register of Deeds for Anderson County, South Carolina.

WHEREAS, the CCRs were amended by First Amendment recorded September 10, 2008 at Book 8840, Page 148 in the Office of the Register of Deeds for Anderson County, South Carolina.

WHEREAS, the CCRs apply to an exclusive residential community of single-family homes in Anderson County, South Carolina that is known as Shiloh Creek, which real property, both developed lots and undeveloped raw land, are more particularly described on Exhibit A attached hereto ("Property").

WHEREAS, Article XI (General Provisions), Section 3 (Amendment), describes the process for amendment of the CCRs. It provides that:

So long as Declarant owns any Lot or Unit within the Properties, this Declaration may be amended by the Declarant, without the consent or joinder of any other Owner or the Association. Any such amendment shall be effective upon the recording of the same in the Office of the Register of Deeds of Anderson County, South Carolina.

WHEREAS, Declarant owns Lots and Units within the Properties and desires to exercise herein its right to amend the CCRs.

WHEREAS, Article III (Membership and Voting Rights), Section 2 (Voting Rights), (b) (Class B Lots) provides that Class B Lots will cease to exist on December 31, 2016.

WHEREAS, Declarant desires to extend the date-based expiration of the Class B Lots set forth in Article III, Section 2(b)(iii) until December 31, 2026.

WHEREAS, Declarant desires to amend the language of Article X (Use Restrictions), Section 11 (Vehicles, Boats and Trailers).

WHEREAS, Declarant desires to amend the language of Article X (Use Restrictions), Section 16 (Minimum Size of the Units).

WHEREAS, Declarant desires to amend the language of Article X (Use Restrictions), Section 17 (Attached Garages).

WHEREAS, Declarant desires to amend Article X (Use Restrictions) to include a new section regarding roofing material.

WHEREAS, Declarant desires to annex all property located within Shiloh Creek owned by the Declarant, both developed lots and undeveloped raw land, to the CCRs without the need for a recorded subdivision plat or additional declaration. The "Property" to be annexed and made subject to the Covenants, Conditions and Restrictions for Shiloh Creek is described on Exhibit A attached hereto.

NOW, THEREFORE, Declarant amends the CCRs as set forth below and the Property (including any additions made to the Property under Article II of the CCRs) is, and shall be, owned, held, transferred, sold, conveyed, used, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this Amendment and in the CCRs, all of which shall run with the real property and be binding on all parties owning any right, title, or interest in said real property or any part thereof, their heirs, personal representatives, successors, and assigns, and shall inure to the benefit of each owner thereof:

#### **AMENDMENT 1**

Article III, Section 2(b)(iii) of the CCRs is hereby amended by deleting "December 31, 2016" and substituting the following: "December 31, 2026." The intended purpose and effect of this amendment is to extend the date-based expiration of the Class B Lots until December 31, 2026.

#### **AMENDMENT 2**

Article X, Section 11 of the CCRs is hereby deleted in its entirety and replaced with the following:

Vehicles, Boats and Trailers. No recreational vehicle or patently commercial vehicle, including but not limited to boats and jet skis, tractor trailer cabs or rigs, or commercially marked vehicles, shall be permitted on the Lots, streets or parking areas unless stored in a fully-enclosed garage. No house trailers or mobile homes, school buses, trucks, cars, boats, boat trailers, motor homes, motorcycles, campers, vans, vehicles on blocks, or vehicles of any kind shall be kept, stored or parked overnight either on any streets or on any Lot within the Property. No vehicle of any kind shall be parked or stored in any front yard, side yard or rear yard or on any non-paved area of any Lot. Vehicles shall only be parked in a paved area on the Lot designated as a driveway or parking area. No vehicle in disrepair shall be stored on any Lot. No passenger vehicle without current registration and license tag will be allowed within the Property or on any

Owner's Lot unless stored in a fully-enclosed garage. The foregoing will not be interpreted or construed or applied to prevent the temporary, non-recurrent parking of any vehicle, boat or trailer for a period not to exceed 24 hours. Further, if a parking and storage amenity for boats and recreational vehicles is built, in Declarant's sole and exclusive discretion, it shall become the exclusive parking and storage facility for all such vehicles unless garage-stored. The Declarant or Association may in its sole discretion determine what is unsafe and what is consistent with subdivision standards, and may issue rules and regulations to control parking, on and off streets.

**AMENDMENT 3**

With respect to all new homes constructed on any Lot after the date of recording of this Amendment, Article X, Section 16 of the CCRs is hereby deleted in its entirety and replaced with the following:

Minimum Size of the Units. All Units constructed within the Properties or on any Lot shall have a heated and cooled living area of not less than 1,650 square feet.

**AMENDMENT 4**

With respect to all new homes constructed on any Lot after the date of recording of this Amendment, Article X, Section 17 of the CCRs is hereby deleted in its entirety and replaced with the following:

Attached Garages. All Units constructed within the Properties or on any Lot shall contain an enclosed garage that is permanently attached to and part of the Unit and such garage shall be large enough to accommodate at least two automobiles side-by-side.

**AMENDMENT 5**

With respect to all new homes constructed on any Lot after the date of recording of this Amendment, Article X is hereby amended to include the following new Section:

Section 20. Roofing Material. All new homes constructed within the Properties or on any Lot after the date of recording of this Amendment shall have dimensional asphalt roofing shingles or a similarly aesthetic roofing material if dimensional asphalt roofing shingles become unavailable.

**AMENDMENT 6 – ANNEXATION**

The Property hereby made subject to the Covenants, Conditions and Restrictions for Shiloh Creek is more fully described on Exhibit A attached hereto and incorporated herein by reference.

WITNESS, the following signatures and seals this 8<sup>th</sup> day of July, 2016.


**DECLARANT:**

LACOMBE GROUP USA, INC.

WITNESS:

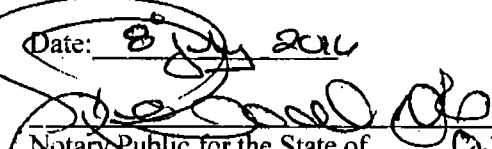
  
Witness 1 Alexandra Cormier

  
Witness 2 of Notary KARINE BOURGEOIS

By:   
Name: Bruno Lacombe  
Title: President  
Date: 7-8-16

Quebec  
STATE OF ~~SOUTH CAROLINA~~ )  
COUNTY OF ~~ANDERSON~~ )  
St-Hyacinthe

Personally appeared before me this date the above subscribed authorized agent of Lacombe Group USA, Inc., and acknowledged the execution of the foregoing instrument on the date set forth below.

Date: 8 July 2016  
 (SEAL)  
Notary Public for the State of Quebec  
My commission expires N/A  
me Sylvie Desautels

**DECLARANT:**

DEVELOPMENTS  
Quickdraw ~~Developments~~ LLC

WITNESS:

*Notasha Peacock*  
Witness Number 1 Notasha Peacock

*Melinda Endres*  
Witness Number 2 or Notary  
Melinda Endres

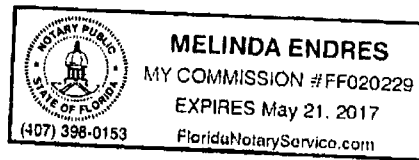
By: *Devon Paxson*  
Name: Devon Paxson  
Title: President  
Date: 7/17/16

Florida me  
STATE OF SOUTH CAROLINA  
COUNTY OF ANDERSON Palm Beach

Personally appeared before me this date the above subscribed authorized agent of Quickdraw Developments ~~XXXXXXXXXX~~ LLC, and acknowledged the execution of the foregoing instrument on the date set forth below.

Date: 7-13-16

*Melinda Endres* (SEAL)  
Notary Public for the State of Florida  
My commission expires 5-21-17



**Exhibit A – Legal Description**

All that certain piece, parcel or tract of land situate, lying and being in the State of South Carolina, County of Anderson, containing 50.98 acres, more or less, inclusive of any and all rights of way for roads and utilities, and being more particularly shown and described on a plat prepared by Mack L. Chapman, Jr., PLS No 10034, dated April 14, 2002 and recorded in the Office of the Register of Deeds for Anderson County, South Carolina, in Plat Slide 1333, at Pages 4 and 5, reference to which is invited for a more complete and accurate description thereof. LESS HOWEVER, all those certain 64 numbered Lots shown on "Final Plat of Shiloh Creek Subdivision, Phase I" prepared by 3D Land Surveying, Inc. dated 11/6/2006 and recorded in Plat Slide 1675, at Page 5, being Lots 1 through 34, inclusive; and Lots 135 through 158, inclusive; and Lots 49, 50, 67, 68, 93 and 106. Reference being made to said plats for a more complete metes and bounds description thereof. Less however, Shiloh Creek Subdivision Phase I roads as shown on plat recorded in Plat Slide 1675, at Page 5.

TMS: 217-00-03-22

This being the undeveloped remainder, estimated to be 34.60 acres, of the same property conveyed to Lacombe Group USA, Inc. and Quickdraw Developments, LLC by deed from SCBT dated August 22, 2013 and recorded August 30, 2013 in Deed Book 11089, at Page 124; and by Corrective Special Warranty deed from SCBT to Lacombe Group USA, Inc. and Quickdraw Developments, LLC dated April 7, 2014 and recorded April 15, 2014 in Deed Book 11344, at Page 267.

ALSO: All those certain, pieces, parcels or lot of land situate, lying and being in the State of South Carolina, County of Anderson, being shown and designated as the numbered lots listed in the table below, shown on "Final Plat of Shiloh Creek Subdivision, Phase I" prepared by 3D Land Surveying, Inc. dated 11/6/2006 and recorded in Plat Slide 1675, at Page 5, Anderson County records. Reference being made to said plat for a more complete metes and bounds description of each lot shown thereon.

Anderson County TMS:	Shiloh Creek Subdivision, Phase I, Plat Slide 1675, Page 5, Lot Number:
217-04-01-135	Lot 135
217-04-01-136	Lot 136
217-04-01-137	Lot 137
217-04-01-138	Lot 138
217-04-01-139	Lot 139
217-04-01-140	Lot 140
217-04-01-141	Lot 141
217-04-01-142	Lot 142
217-04-01-143	Lot 143
217-04-01-144	Lot 144
217-04-01-049	Lot 49
217-04-01-050	Lot 50
217-04-01-067	Lot 67
217-04-01-068	Lot 68
217-04-01-093	Lot 93

217-04-01-106	Lot 106
217-04-01-152	Lot 152

The above described numbered lots are part of the same property conveyed to Lacombe Group USA, Inc. and Quickdraw Developments, LLC by deed from SCBT dated August 22, 2013 and recorded August 30, 2013 in Deed Book 11089, at Page 124; and by Corrective Special Warranty deed from SCBT to Lacombe Group USA, Inc. and Quickdraw Developments, LLC dated April 7, 2014 and recorded April 15, 2014 in Deed Book 11344, at Page 267.

160019152 8/23/2016 08:35:27 AM  
FILED, RECORDED, INDEXED  
Bk: 12455 Pg: 00056 Pages:007  
Rec Fee: 13.00 St Fee:  
Co Fee:  
REGISTER OF DEEDS, ANDERSON CO, SC  
Wendy Reffel

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF ANDERSON )

**FIRST AMENDMENT TO THE DECLARATION  
OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR SHILOH CREEK**

THIS AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SHILOH CREEK PHASE I is made as of June 10, 2008, by AHO HOMES LLC, a South Carolina limited liability company and SHILOH CREEK LLC, a South Carolina limited liability company (hereinafter referred to as "Declarant");

WITNESSETH:

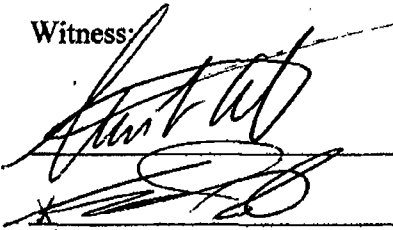
WHEREAS, by that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND EASEMENTS FOR SHILOH CREEK PHASE I (the "Declaration") dated October 2, 2007, recorded in Book 8284 at Page 228 in the Anderson County, South Carolina, Public Registry, Declarant, subjected certain real property in Anderson County, South Carolina, to protective covenants, conditions, restrictions and easements as set forth therein; and

WHEREAS, Article II/ Section 3 of the Declaration provides that the Declarant may annex additional land to become subject to the existing Declaration by the recording of a plat showing such property to be annexed,

THEREFORE, Declarant hereby declares that all additional property annexed and recorded by plat as additional phases of the Shiloh Creek community, will be subject to the existing Declaration of record set forth above.

IN WITNESS WHEREOF, Declarant, by and through its authorized representatives, has caused this instrument to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, as of the day and year first above written.

Witness:

  
\_\_\_\_\_

By: Aho Homes, LLC

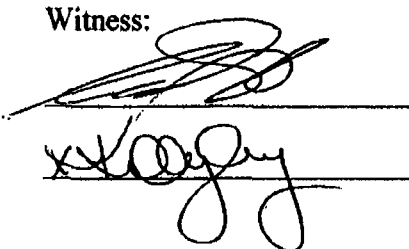
By:

  
\_\_\_\_\_

Title:

Secretary  
\_\_\_\_\_

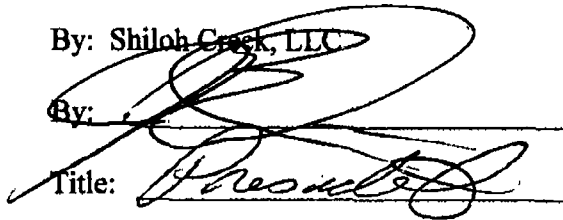
Witness:

  
\_\_\_\_\_

By: Shiloh Creek, LLC

By:

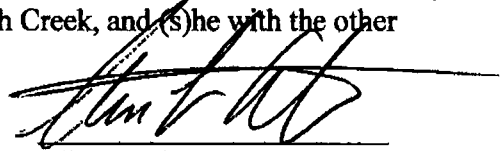
Title:

  
\_\_\_\_\_

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GREENVILLE )

PROBATE

Personally appeared before me the undersigned witness, who says on oath that (s)he saw the within named corporations by their duly authorized Managing Members, sign, seal and deliver the within written Amendment to the Declaration of Covenants, Conditions, Restrictions and Easements for Shiloh Creek, and (s)he with the other witness, witnessed the execution thereof.



Witness Signature

Sworn to before me this  
30 day of June, 2008

Susan Helman  
Notary Public for the State of South Carolina  
My commission expires: April 29, 2012

(SEAL)

080025139 9/10/2008 10:00:07 AM  
FILED, RECORDED, INDEXED  
Bk: 08840 Pg: 00148 Pages:002  
Rec Fee: 10.00 St Fee:  
Co Fee:  
REGISTER OF DEEDS, ANDERSON CO, SC  
Shirley McElhannon

**THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA  
UNIFORM ARBITRATION ACT**

**DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
SHILOH CREEK PHASE I**

THIS DECLARATION is made on the date hereinafter set forth by SHILOH CREEK LLC, AND BY AHO HOMES LLC, South Carolina limited liability companies, (hereinafter referred to as "Declarant"):

**WITNESS TO:**

WHEREAS, Declarant is the owner of certain real property (hereinafter "the property") located in Anderson County, South Carolina, which is more particularly described as follows:

All that certain piece, parcel, or lot of land situate, lying, and being in the State of South Carolina, County of ANDERSON, being more particularly shown on a plat entitled "SHILOH CREEK SUBDIVISION PHASE I", prepared by 3D Land Surveying, Inc., dated November 06, 2006, and recorded January 30, 2007, in Plat Book S1675 at Page 5, in the office of the ROD for Anderson County (hereinafter referred to as the "plat"); and

WHEREAS, Declarant desires to create on such property an exclusive residential community of single-family homes to be known as SHILOH CREEK (hereinafter referred to as "the Subdivision"); and

WHEREAS, Declarant desires to provide for the maintenance and upkeep of the common area within the Subdivision and to provide for enforcement of covenants and restrictions applicable to the Subdivision, and, to that end, desires to subject all of the property described on the aforesaid plat to the covenants, conditions, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is, and are, for the benefit of the property and each owner thereof;

WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain, and administer the Common Area (as hereinafter defined), to administer and enforce covenants and restrictions applicable to the Subdivision, and to collect and disburse the assessments and charges hereinafter created, and Declarant has therefore incorporated under South Carolina law as a non-profit corporation, the SHILOH CREEK HOMEOWNERS' ASSOCIATION, INC., for the purpose of exercising the aforesaid functions;

NOW, THEREFORE, Declarant declares that the Property, and such additions thereto as may hereafter be made pursuant to Article II hereof, is, and shall be, owned, held, transferred, sold, conveyed, used, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this Declaration, all of which shall run with the real property and be binding on all parties owning any right, title, or interest in said real property or any part thereof, their heirs, personal representatives, successors, and assigns, and shall inure to the benefit of each owner thereof.

## ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to the SHILOH CREEK HOMEOWNERS' ASSOCIATION, INC., a South Carolina non-profit corporation, its successors and assigns.

Section 2. "Builder" shall mean and refer to any persons, firms or entities to whom or which Declarant conveys one or more Lots within the Properties for the purpose of constructing a Dwelling thereon.

Section 3. "Common Area" shall mean and refer to any and all real property, together with any improvements thereon, shown on any recorded subdivision plat of the Properties, with the exception of any Lots, as said term is defined in this Declaration, and any public street rights-of way as same are shown on any recorded subdivision plat of the Properties. Except as otherwise provided in this Declaration, the Common Area shall be maintained by the Association or its successors in interest unless dedicated to public use as set forth herein.

Section 4. "Declarant" shall mean and refer to SHILOH CREEK, LLC, and AHO HOMES, LLC, South Carolina limited liability companies. It shall also mean and refer to any person, company or entity to whom or which Declarant shall assign or delegate the rights and obligations of Declarant by an assignment of Declarant's rights recorded in the Office of the Register of Deeds of Anderson County, South Carolina.

Section 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, shown on any recorded subdivision plat of the Properties, with the exception of any Common Area owned in fee by the Association and any public street rights-of-way shown on such recorded plat. In the event that any Lot is increased or decreased in size by recombination or resubdivision through recordation of new subdivision plats, any newly-platted Lot shall thereafter constitute a Lot.

Section 6. "Member" shall mean and refer to every person or entity who or which holds membership in the Association.

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

Section 8. "Properties" shall mean and refer to the property described on the aforesaid recorded plat and any additional property annexed pursuant to Article II of this Declaration.

Section 9. "Subassociation" shall mean and refer to any homeowners association formed for the purpose of owning and maintaining real property and improvements thereon reserved for the exclusive use and benefit of Owners of Lots or Units within a specific phase or section of the Properties.

Section 10. "Unit" or "Dwelling" shall mean and refer to any building or portion thereof within the Properties which is designated and intended for use an occupancy as a residence by a single family, whether by the Owner of such Unit or by tenants or lessees of such Owner.

**ARTICLE II  
PROPERTY SUBJECT TO THIS DECLARATION  
AND WITHIN THE JURISDICTION OF THE  
SHILOH CREEK SUBDIVISION**

Section 1. This section has been intentionally omitted.

Section 2. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, used and occupied subject to this Declaration as of the date of recording hereof, which is within the jurisdiction of the Association, and which is described on the recorded plat.

Section 3. Annexation of Additional Property . At any time prior to December 31, 2020, additional land within the property may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Furthermore, at any time Declarant owns any Lot within the Properties, additional land not within the subdivision plat may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Any property annexed must be contiguous to property already subject to this Declaration. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members.

A supplementary declaration may contain such complementary additions to, and modifications of, the covenants and restrictions contained in this Declaration, including, without limitation, different voting rights and different annual and special assessments for the Lots or Units so annexed, as Declarant, in its sole discretion, may deem necessary or appropriate to reflect the different character or use of the property added. In no event, however, shall any supplementary declaration revoke, modify or add to the covenants and restrictions established by this Declaration so as to materially and adversely affect any portion of the Properties already subject to this Declaration. A supplementary declaration annexing additional property need only be executed by the Declarant and, if applicable, by the owner of the property being annexed, and shall not require the joinder or consent of the Association or any of its Members.

Nothing contained in this Article shall be construed to obligate or require Declarant to make any additions to the Properties.

Section 4. Conveyance of Common Area in Annexed Property. Promptly upon request of Declarant, the owner of the annexed property shall convey any or all Common Area located within the newly annexed property to the Association or, if requested by the Declarant, to the Declarant. Title to such Common Area shall be conveyed in the same manner as set forth in Section 3 of Article IV of this Declaration.

Section 5. Merger. Additional property may also be made subject to this Declaration by merger or consolidation of the Association with another *non-profit* corporation formed for the same or similar purposes. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration within the Properties and the covenants and restrictions established upon property owned by the other association as one scheme. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 6. Effect of Addition of Property. Except by amendment of this Declaration as provided in Section 3 of Article XII hereof, no addition of property, whether by annexation, merger or consolidation, shall revoke or modify any provision of this Declaration as to the Properties already subject hereto or diminish the rights of the Owners of Lots and Units within the Properties, except for the dilution of voting strength that occurs as a result of inclusion of additional Members of the Association.

Section 7. Withdrawal of Property. Declarant reserves the right to amend this Declaration so long as it has a right to annex Additional Property pursuant to this Article for the purpose of removing any portion of the Properties then owned by Declarant or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Subdivision, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Subdivision.

Section 8. Good Faith Lender's Clause. Any violation of these covenants, conditions or restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot or commercial Unit, which liens may be enforced in due course, subject to the terms of this Declaration.

### ARTICLE III MEMBERSHIP AND VOTING RIGHTS

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

Section 2. Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots and may not be separated from ownership of any Lot.

There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. Ownership of a Class A Lot shall entitle the Owner of such Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, determine; but fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant or a Builder and which have not been converted to Class A Lots as set forth below. Declarant and each Builder shall each be entitled to nine (9) votes for each Class B Lot it owns. The Class B Lots shall cease to exist and shall be converted to Class A Lots upon the earlier of the following to occur: (i) when Declarant no longer owns any Lots or Units within the Properties; (ii) upon written waiver of Class B membership by the Declarant and/or Builder; or (iii) December 31, 2016. When the Class B Lots cease to exist and are converted to Class A Lots, Declarant and Builder shall have the same voting rights as other Owners of Class A Lots.

(c) Declarant's Voting Rights. Until the Class B Lots cease to exist, as provided above, Declarant shall be vested with the sole voting rights of the Association on all matters (including election and removal of directors and officers of the Association), except such matters as to which the Declaration, the Articles of Incorporation, or the Bylaws of the Association specifically require a vote of the Class A Members.

Section 3. Leased Units. Notwithstanding any other provision of this Declaration or the Bylaws of the Association, the vote as expressed by the Owners of Lots or Units which are leased (or rented to or otherwise occupied by persons) other than the Owner shall not be entitled to any weight greater than forty-nine (49) percent on any matter pending before the Association.

#### ARTICLE IV PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment and Access. Except as limited by the provisions of this Section 1 and by the rules and regulations adopted by the Board of Directors of the Association, every Owner shall have a right and easement of enjoyment in, use of and access to, from, and over the Common Area, which right and easement shall be appurtenant to and shall pass with title to every Lot, subject to:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated or constructed on the Common Area and to limit the use of such facilities to Owners who occupy a residence on the Properties and to their families, tenants and guests, as provided in Section 2 of this Article IV.

(b) the right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid, or for a period not to exceed sixty (60) days for any infraction of the published rules and regulations of the Association.

(c) the right of the Association to dedicate, sell or transfer all or any part of the Common Area to any public or quasi-public agency, authority or utility for such purposes and subject to

such conditions as may be agreed upon by the Members. After Class B Lots cease to exist, no such dedication or transfer shall be effective unless the Members entitled to at least 80% of the votes of the entire membership of the Association and at least three-fourths (3/4) of the votes appurtenant to each Class of Lots agree to such dedication, sale or transfer and signify their agreement by a signed document recorded in the Office of the Register of Deeds of Anderson County, South Carolina. Nothing herein shall be deemed to prohibit the Board of Directors of the Association, without consent of the Members, from granting easements over and across the Common Area to any public agency, authority or utility for the installation and maintenance of sewerage, utility (including cable television) or drainage facilities when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of properties within the Subdivision. Notwithstanding anything herein to the contrary, the Common Area shall be preserved for the perpetual benefit of the owners of Lots within the Subdivision and shall not be conveyed except to a governmental entity or another non-profit corporation organized for similar purposes.

(d) the right of the Association, to borrow money and, after Class B Lots cease to exist, with the assent of Members' entitled to at least 80% of the votes of the entire membership of the Association and at least two-thirds (2/3) of the votes appurtenant to each Class of Lots, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender or mortgagee shall be subordinate to the property rights of the Members and the Association as set forth herein.

(e) the right of the Association to exchange all or part of the Common Area for other property and consideration of like value and utility, provided, however, that, after Class B Lots cease to exist, any such dedication shall require the assent of the Members as set forth in subparagraph (c) above, and further provided that, if the Board of Directors of the Association determines, in its sole discretion, that such exchange is necessary to cure an encroachment or setback violation on any Lot, the Board may effect such exchange without the consent of or approval by the Members.

(f) the right of the Association to open the Common Area and, in particular, the recreational facilities constructed thereon, for use by non-members of the Association.

(g) the right of the Association to expand or add to the Common Area and to improve, maintain and operate the Common Area.

(h) the right of the Association to adopt, promulgate and enforce rules and regulations concerning the use of the Common Area.

(i) the right of the Association to otherwise deal with the Common Area as provided in the Articles of Incorporation and Bylaws of the Association.

#### Section 2. Delegation of Use.

(a) Family. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence in Anderson County, South Carolina.

(b) Tenants: Contract Purchasers. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated by such Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Anderson County, South Carolina.

(c) Guests. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated to guests of such Owners, tenants or contract purchasers, subject to such rules and regulations as may be established by the Board of Directors.

(d) Suspension of Rights. The rights of any delegate of an Owner shall be suspended by, upon and during suspension of such Owner's rights as provided in Section 7 of Article XII of this Declaration.

Section 3. Conveyance of Common Area To The Association. No later than the time Declarant no longer exercises voting control over the Association as provided in Article III hereof, Declarant shall convey, and the Association shall accept, fee simple title to all Common Area (except Common Area easements) within the Properties, and shall reserve for or grant to the Association all Common Area easements, all subject to such easements, reservations, conditions and restrictions as then may be of record, and the Association shall accept all such conveyances, grants and reservations, provided, however, that so long as Declarant owns any Lots within the Properties, Declarant reserves an easement over and across any Common Area deeded to the Association for the purpose of constructing and maintaining any improvements on the Common Area as it deems necessary or advisable, provided that any such improvements must comply with the requirements of the appropriate governmental authority. Any improvements placed on the Common Area by Declarant shall become the property of the Association upon completion of such improvements.

Section 4. Regulation and Maintenance of Common Area and Common Area Easements. It is the intent of the Declarant that the Common Area be preserved for the perpetual benefit of the Owners.

(a) Regulation of Common Area. The Association may adopt and promulgate rules and regulations governing the use of the Common Area by Owners and their family, guests and invitees. No Owner or other permitted user shall use the Common Area or any portion thereof in violation of the rules and regulations contained in this Declaration or subsequently adopted by the Association.

Without limiting the generality of the foregoing, no Owner or tenant, guest or invitee of an Owner shall, without the specific prior written consent of the Association: (i) damage or waste the Common Area or improvements thereon or remove any trees or vegetation therefrom; (ii) erect any gate, fence, structure or other improvement or thing on the Common Area; (iii) place any garbage receptacle, trash or debris on Common Area; (iv) fill or excavate any part of the Common Area; (v) landscape or plant vegetation on Common Area; or (vi) use the Common Area or any part thereof in a manner inconsistent with or in any way interfering with the rights of other Owners.

(b) Rights and Responsibilities of the Lot Owners as to Common Area Easements. Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other

assessments levied against his Lot, including that portion of such tax or assessment as is attributable to such Common Area easement.

(c) Rights and Responsibilities of the Association as to Common Area. The Association shall have the right and obligation to ensure that the Common Area is preserved for the perpetual benefit of the Owners, and, to that end, shall: (i) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its use by the Owners, subject to the provisions of this Declaration; (ii) procure and maintain adequate liability insurance covering the Association and its Members, Directors and officers, against any loss or damage suffered by any person, including the Owner of the Lot upon which Common Area lies, resulting from use of the Common Area, and adequate hazard insurance covering the real and personal property owned in fee by the Association; and (iv) pay all property taxes and other assessments levied against all Common Area owned in fee by the Association.

(d) Declarant's and Association's Right of Entry. The Declarant and the Association and the employees, agents, contractors and subcontractors of each, shall have a non-exclusive right and easement at all times to enter upon any portion of a Lot reserved or designated as a Common Area easement for the purposes of: (i) installing and maintaining subdivision entrance signs, features, fencing and landscaping; and (ii) making such improvements to the Common Area; and (iii) maintaining the Common Area easement in its natural or improved state.

## ARTICLE V

### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments and special assessments, such assessments to be established and collected as hereinafter provided. All assessments which are unpaid when due, together with interest and late charges set forth in Section 9 of this Article V and all costs of collection, including reasonable attorney's fees, shall be a charge against and, a continuing lien upon the Lot against which such assessment is made. Each such assessment or charge, together with interest and costs of collection, including reasonable attorneys' fees, shall also be the personal or corporate obligation of the person(s), firms) or corporation(s) owning such Lot at the time when the assessment fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by them. Although unpaid assessments and charges are not the personal obligation of such Owner's successors in title unless expressly assumed by them, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

It is the intent of the Declarant that any monetary fines imposed against an Owner pursuant to the Bylaws of the Association or Section 7 of Article XII of this Declaration shall constitute a lien against the Lot of such Owner to the same extent as if such fine were an assessment against such Lot.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Subdivision and, in particular, for: (i) acquisition, improvement and maintenance of properties,

services and facilities related to the use and enjoyment of the Common Area; (ii) repair and reconstruction of improvements on, the Common Area, including, without limitation, the cost of repair, replacement and additions thereto and the cost of labor, equipment, materials, management and supervision thereof; (iii) payment of taxes and public assessments levied against the Common Area owned by the Association in fee; (iv) procurement and maintenance of insurance in accordance with the Section 4(c) of Article IV of this Declaration; (v) employment of attorneys, accountants and other persons or firms to represent the Association when necessary; (vi) payment of principal and interest on funds borrowed for Association purposes; (viii) such other needs as may arise; and (ix) payment for the maintenance and operation of street lights.

### Section 3. Annual Assessments.

(a) Maximum Annual Assessment. As provided in Section 2(a) of Article III hereof, Declarant shall establish the Maximum Annual Assessment and initial annual assessment for Class A Lots; thereafter, the terms "Maximum Annual Assessment", annual assessment, and special assessment shall mean the Maximum, annual and special assessments applicable to Class A Lots. Until December 31, 2007, the Maximum Annual Assessment shall be an amount to be determined by Homeowners Association for each Class A Lot.

From and after December 31, 2007, the Maximum Annual Assessment may be increased by the Board of Directors effective January 1 of each year without a vote of the Members, but subject to the limitation that the percentage of any such increase shall not exceed 10% of the Maximum Annual Assessment for the previous year unless such increase is approved as set forth in Section 3(b), below.

From and after December 31, 2007, the Maximum Annual Assessment for Class A Lots may be increased without limitation if such increase is approved by a majority of the votes cast, in person or by proxy, at a meeting duly called for that purpose.

(b) Annual Assessments: Ratification of Budgets. Notwithstanding the 10% increase restriction contained in (a) above, for so long as a Class B Lot exists, the Board of Directors, in its sole discretion, shall have the authority to adopt an annual budget. After Class B Lots cease to exist, the Board of Directors shall adopt a proposed budget (including the proposed annual assessment for each Class of Lots) at least annually. Within 30 days after adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than 10 days nor more than 60 days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. Except as required by Section 7 below, there shall be no requirement that a quorum be present in order to vote on ratification of the budget (although a quorum must be present to vote on other matters). The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget. Notwithstanding the foregoing, if the budget provides for annual assessments not greater than 10% larger than the assessment in effect for the immediately preceding year, such budget shall be deemed ratified unless Members having at least 80% of the votes of the entire membership vote to reject the budget. If the proposed budget is rejected, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

Any annual assessment ratified by the Members shall continue thereafter from year to year as the annual assessment until changed by the Board and ratified by the Members as set forth herein.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of a capital improvement on the Common Area, including fixtures and personal property related thereto, for repayment of indebtedness and interest thereon, or for any other purpose, provided that any such assessment shall have the same assent of the Members as provided in Section 3(b) of this Article.

Section 5. Assessment Rate: Collection Period. Except as provided in Section 6 of this Article V, the annual and special assessments shall be fixed at a uniform rate for all Lots within each subclass of Lots and may be collected on a yearly, semi-annually, quarterly or monthly basis, as determined by the Board of Directors.

Section 6. Declarant's and Builder's Assessments. Notwithstanding any other provision of this Declaration, the Articles of Incorporation or the Bylaws of the Association, the Declarant and Builder shall not be obligated for, nor subject to, any annual or special assessment for any Lot or other property that it owns within the Properties, provided, however, that the Builder shall be responsible for paying for each Lot owned by the Builder which contains a Dwelling for which a certificate of occupancy has been issued, an assessment equal to twenty-five percent (25%) of the annual assessment in effect for Class A Lots, as the same may change from time to time, computed on a 365 day year and prorated for the number of days from the date of the issuance of the certificate of occupancy until the sale of such Lot. Upon sale of such Lot by Builder to any other person or entity, such Lot shall be assessed at Class A rate, commencing on the first day of the month after title to such Lot is transferred to such third party. Notwithstanding any other provision of this Declaration, a Lot owned by the Builder which contains a Dwelling occupied as a residence (but not as a model or sales center) shall be assessed at the rate applicable to Class A Lots. So long as the Declarant owns any Unit for sale or Class B Lots exist, the Declarant may in its sole and absolute discretion, but under absolutely no obligation to do so, fund any sums needed for the operation of the Association if Annual Assessments are insufficient for the operation of the Association. Any such subsidy will, in the Declarant's sole and absolute discretion and election, be (a) a contribution to the Association, (b) an advance against future Annual Assessments due from said Declarant, if any, or (c) a loan to the Association. The amount and character (contribution, advance or loan) of such payment by the Declarant will be conspicuously disclosed as a line item in the budget and will be made known to the Owners. The payment of such a subsidy in any year will under no circumstances obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant. Any such subsidy payment by the Declarant may be made in-kind.

Section 7. Notice and Quorum for any Action Authorized Under Sections 3(a) and 4. After Class B lots cease to exist, written notice of any meeting called for the purpose of taking any action authorized under Section 3(a) or 4 shall be sent to all Members not less than fifteen (15) days nor more than thirty (30) days prior to the meeting. At such meeting, the presence of Members, in person or by proxy, entitled to cast sixty (60%) percent of the votes of the entire membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and if called for a date not later than sixty

(60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting.

Section 8. Date of Commencement of Annual Assessments: Amount of Initial and Subsequent Annual Assessments: Certificate of Payment. Unless a different commencement date is set by the Board of Directors, the annual assessments provided for herein shall commence as to all Lots in any phase on the first day of the month following the conveyance of a Lot or Unit within that phase to an Owner other than the Declarant or a Builder. Unless a lower amount is set by the Board of Directors and ratified by the Members, the first annual assessment shall be the "Maximum Annual Assessment" set forth in Section 3 of this Article and shall be prorated according to the number of months remaining in the calendar year.

At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessment against each Lot. At least fifteen (15) days before January 1 of each year, the Board of Directors shall send written notice of such assessment to every Owner subject thereto. The due dates for the payment of annual and special assessments shall be established by the Board of Directors.

The Association shall, upon demand, and for such reasonable charge as the Board of Directors may determine, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment.

Section 9. Effect of Nonpayment of Assessments: Remedies. An assessment not paid within ten (10) days after the due date shall incur such late charge as the Board of Directors may from time to time establish, and, if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the rate of eighteen percent (18%) per annum or the highest rate allowed by law, whichever is less. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot for which such assessment is due. Interest, late payment charges, reasonable attorneys' fees, and the costs of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or by abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first mortgage on a Lot. Sale or transfer of a Lot shall not affect any assessment lien; however, the sale or transfer of a Lot pursuant to foreclosure of a first mortgage, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of any assessment which became due prior to the date of such conveyance. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof; but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage.

Section 11. Exempt Property. All property dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of South Carolina shall be exempt from the assessments created herein. Notwithstanding the foregoing, no land or improvements devoted to dwelling use shall be exempt from said assessments.

## ARTICLE VI RIGHTS OF LENDERS

Section 1. Books and Records. Any owner or holder of a first mortgage on any Lot, or its agent, shall have the right, during normal business hours, to examine copies of this Declaration, the Articles of Incorporation, Bylaws, and the books and records of the Association and, upon written request to the Association, to receive a copy of the financial statement for the immediately preceding fiscal year.

Section 2. Notice to Lenders. After Class B Lots cease to exist and upon written request to the Association, the owner or holder of a first mortgage on any Lot shall be entitled to timely written notice of:

(a) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of the Lot securing its loan.

(b) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(c) Any proposed action that requires the consent of a specified percentage of owners or holders of first mortgages on the Lots.

Section 3. Approval of Owners and Holders of First Mortgage. After Class B Lots cease to exist, unless at least seventy-five percent (75%) of the owners and holders of the first mortgages on Lots located within the Properties have given their prior written approval, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association. The granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this subsection. Nothing herein shall be deemed to prohibit the Association from exchanging Common Area for other real property of like utility and value as provided in Section 1(c) of Article IV of this Declaration, or to require the approval of such exchange by the holders of first mortgages on the Lots;

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot;

(c) Fail to maintain hazard insurance on insurable improvements on the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value; or

(d) Use the proceeds of any hazard insurance policy covering losses to any part of the Common Area for other than the repair, replacement or reconstruction of the damaged improvements.

Section 4. Payment of Taxes and Insurance Premiums. The owners or holders of first mortgages on Lots, jointly or singly, may pay taxes or other charges which are in default and which have or may become a charge or lien against any of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon

the lapse of a policy covering property owned by the Association. The persons, firms or corporations making such payments shall be owed immediate reimbursement therefore by the Association.

## **ARTICLE VII EASEMENTS**

Section 1. Access and Utility Easements. Easements for the installation and maintenance of driveways, walkways, water, gas, telephone, cable television and electric power transmission lines, sanitary sewer and storm water drainage facilities, and for other public utility installations are reserved as shown on the recorded plats of the Properties. The Association may reserve or grant easements over the Common Area as provided in Article IV, Section 1(c), of this Declaration. Within any such easement herein provided, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of the utilities installed thereon, or which may change the direction of flow or drainage of water through drainage pipes or channels constructed in such easements.

For a period of thirty (30) years from the date hereof, Declarant reserves, for itself and its employees, agents, successors and assigns, an easement upon and a right of ingress, egress and regress on, over and under the Properties for the purposes of constructing and maintaining water, sewer, gas, storm water drainage and retention, telephone, cable television, and electric, and other utility facilities to the extent required by any applicable governmental entity or deemed by the Declarant to be necessary or convenient for the development, use and enjoyment of the Properties and the Common Area and for the conduct of construction, sales and marketing activities. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil or take any other similar action that it deems reasonably necessary or appropriate. After such action has been completed, Declarant shall grade and seed the affected property and otherwise restore the affected property to its original condition to the extent practicable, but shall not be required to replace any trees, bushes or shrubbery necessarily removed. Declarant shall give reasonable notice of its intent to take such action to each Owner whose Lot is affected.

Section 2. Easements for Governmental Access. An easement is hereby established over the Common Area and every Lot within the Properties for the benefit of applicable governmental agencies for installing, removing, and reading water meters, maintaining and replacing water and sewer facilities, and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

Section 3. Owner's Easement and Right of Entry for Repair, Maintenance and Reconstruction. If any Dwelling is located closer than five (5) feet from its Lot line, the Owner thereof shall have a perpetual access easement over the adjoining Lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of such Dwelling. Such work shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Lot to as nearly the same condition as that which existed prior to the commencement of the work as is reasonably practicable. No fence shall be erected within such area adjoining a Dwelling.

Section 4. Association's Easement and Right of Entry. The Association, for itself and its employees, agents, contractors, subcontractors and invitees, shall have a perpetual access

easement over the each Lot to the extent reasonably necessary to perform the maintenance to be performed by the Association.

Section 5. Easement Over Common Area. An perpetual, non-exclusive easement over the Common Area is hereby granted to each Lot and its Owners, family members and tenants of such Owners, the occupants of such Lot, and guests and invitees of such Owners, tenants or occupants, for the purpose of providing access, ingress and egress to and from streets, parking areas and walkways serving the Properties.

## ARTICLE VIII ARCHITECTURAL CONTROL

Section 1. Architectural Approval. The Declarant shall have the sole and absolute right to determine the style and appearance of the Dwellings, including, but not limited to, fences, walls, buildings, outbuildings, garages, storage sheds, mailboxes, lawn decorations, structures of any type or color thereof, grading, landscaping, patio covers and trellises, plans for off-street parking of vehicles and utility layout, and any other improvements to be built or constructed on any Lot (hereinafter individually and collectively referred to as "Improvements").

After occupancy of a Dwelling as a residence pursuant to a certificate of occupancy or other similar certificate issued by the appropriate governmental authority, no Improvements (including, without limitation, replacement of any previously existing Improvements) shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration thereof be made (including, without limitation, changing materials or color of any exterior portion of any such Improvements), nor shall a building permit for such Improvements or change be applied for or obtained, until plans and specifications showing the nature, kind, shape, heights, materials, color and location of same shall have been submitted to and approved in writing by the Association or by an Architectural Review Committee ("ARC") composed of three or more persons appointed by the Board of Directors of the Association. If the Association or its designee fails to approve or disapprove such proposed Improvements within 60 days after complete plans and specifications have been received by it, approval will not be required, and this Article shall be deemed to have been complied with. The Association shall have the right to charge a reasonable fee, not to exceed \$25.00, for receiving and processing each application.

The Declarant and, after the Declarant no longer owns any Lot or Unit within the Properties, the Association, shall have the right to promulgate and from time to time amend written architectural standards and construction specifications (hereinafter the "Architectural Guidelines") which may establish, define and expressly limit the standards and specifications which will be approved, including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design and construction technique. Neither the Association nor the ARC shall approve any Improvements which it determines, in its sole discretion, not to be in harmony of external design, construction and/or location in relation to the surrounding structures, topography or the general plan of development of the Subdivision.

Neither the Declarant, the Association, the Board of Directors, the ARC, nor any member or employee of any of them, shall have any liability to any person or entity by reason of any acts taken or omitted by them, or any of them, in good faith pursuant to this Article.

Section 2. Rules and Regulations. The ARC may from time to time recommend to the Board, and the Board may, in its sole discretion, adopt, promulgate, amend and repeal rules and regulations interpreting and implementing the provisions of this Article VIII, including adoption of detailed architectural guidelines and the imposition of a fee or charge for review of proposed improvements or modifications.

Section 3. Variances. The ARC may recommend to the Board, and the Board may, by the vote or written consent of a majority of the members thereof, allow reasonable variances as to the covenants, conditions or restrictions contained in this Declaration, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property. Variances contained in plans that are inadvertently approved by the ARC as part of the proposed improvements shall not be considered as having been approved unless specifically approved by the Board in accordance with the provisions of this Section.

## ARTICLE IX RIGHTS AND RESPONSIBILITIES OF THE ASSOCIATION

Section 1. Responsibilities. The Association, subject to the rights of the Owner set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and shall keep the Common Area in good, clean and proper condition, order and repair. The Association shall be responsible for the payment of all costs, charges and expenses incurred in connection with the operation, administration and management of the Common Area and the performance of its other obligations hereunder. The Association shall operate and maintain areas designated by the Declarant as Common Areas, whether or not title to such areas has been formally conveyed to the Association. The Association shall also be responsible for enforcement of the covenants and restrictions contained in this Declaration.

Section 2. Manager. The Association may employ and pay for the services of a person or entity, including the Declarant (the "Manager"), to assist the Association in managing its affairs and carrying out its responsibilities hereunder and such other persons or entities, including attorneys and accountants, as the Association deems necessary or advisable, whether such persons or entities are engaged, furnished or employed by the Manager or directly by the Association. The Association may enter into a Management Agreement for such management services upon such terms as the Board of Directors may deem appropriate. The payment of management fees due to the Declarant may, at Declarant's option, be deferred until such later date as Declarant, in its sole discretion, deem appropriate. Furthermore, any management fees due to Declarant may, at Declarant's option, be credited against any assessments due or to be coming due from the Declarant.

Section 3. Personal Property for Common Use. The Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise, subject to such restrictions, if any, as may from time to time be provided in the Articles of Incorporation or Bylaws of the Association.

Section 4. Insurance: Bonds. The Association shall procure and maintain adequate liability insurance covering the Association. The Association shall also procure and maintain full replacement value hazard insurance on real and personal property owned by the Association, and shall procure and maintain officers', directors' and employees' liability insurance, and such other

insurance as it deems necessary or advisable. The premiums for such insurance shall be a common expense paid from the annual assessments provided in Article V of this Declaration. The Association may cause any or all persons responsible for collecting and disbursing monies of the Association to be bonded.

Section 5. Implied Rights. The Association may exercise any other right or privilege and take any action authorized by this Declaration, the Association's Articles or Bylaws, or the South Carolina nonprofit Corporation Act, as from time to time amended, and every other right or privilege reasonably necessary to effectuate the exercise of any right or privilege or the taking of any action authorized herein or therein.

Section 6. Declarant's Reserved Rights; Association's Obligation of Cooperation. The Association shall accept conveyance of any Common Area conveyed to it, in fee or by easement, by Declarant or, at the request of Declarant, by an owner of any property within or to be annexed into the Properties and, upon request of Declarant and without further consideration, shall execute any document necessary to evidence such acceptance.

Until such time as Declarant and Builders have completed all of the contemplated improvements and have sold all of the Lots within the Subdivision:

(a) Declarant shall have the right to alter the boundaries of the Common Area, whether or not it has been previously deeded to the Association, provided that such alteration does not substantially, materially and adversely affect the function and use of the Common Area. The Association and each Owner hereby irrevocably appoints the Declarant as his attorney-in-fact to execute and/or deliver any documents, plats, deeds, or other written matters necessary or convenient to accomplish the addition of Common Area or Properties, or both, to create easements as deemed necessary by Declarant, and to adjure the boundary or boundaries of the Common Area.

(b) Neither the Association nor its Members, nor the use of the Common Area by the Association and its Members, shall interfere with or impede the completion of the improvements or the marketing and sale by the Declarant and the Builder of Lots and homes.

(c) Declarant and each Builder shall have the right to make such use of Lots and the Common Area as may facilitate completion of development and sale of Lots and Units by the Declarant and the Builder. Without limiting the foregoing, Declarant shall have the right to maintain or permit the Builder or others to maintain sales offices, model Dwellings and Units, administrative offices, and construction offices (which may be trailers or temporary or permanent buildings), or any or all of same, on Lots or the Common Area. Declarant and the Builder shall also have the right to erect and maintain signs on Lots and/or the Common Area, to bring prospective purchasers upon the Common Area, to use the Common Area for sales and marketing activities for the Subdivision, to grant the right to use the Common Area to a prospective purchasers or any other individual or group, in Declarant's sole discretion, and to conduct any and all other marketing activities deemed appropriate by the Declarant, and to permit the Builder and others to exercise such rights in conjunction with or separate from the Declarant.

(d) Subject to the provisions of Section 1(d) of Article IV of this Declaration, Declarant shall have the right, but not the obligation, to loan money to the Association in such amounts and

upon such terms and conditions as to which the Declarant may agree. Payments due to the Declarant under any such loans may, at Declarant's option, be credited against any assessments coming due at any time from the Declarant.

(e) In addition to all other rights of the Declarant, no amendment shall be made to this Declaration, and no rule or regulation shall be adopted, interpreted or enforced by the Association, so as to modify the assessments or other charges applicable to the Declarant or a Builder or assessed against the Lots owned by either, or which shall restrict, impair, or, in Declarant's sole judgment, materially adversely affect the activities of the Declarant or the Builder with regard to construction, use of Common Area and delegation of the right to use the Common Area, or the marketing and sale of Lots by the Declarant and Builder, whether or not such activities are enumerated in the preceding paragraphs, without the express prior written consent of Declarant.

In exercising any of the rights provided or granted under this Article IX, neither Declarant, nor the Association shall revoke, modify or amend this Declaration in a manner that reduces the size of the Common Area to less than, the area required by the appropriate governmental authority as of the date of this Declaration.

## **ARTICLE X USE RESTRICTIONS**

Section 1. Business Use Prohibited. No trade, business, profession or other type of commercial activity shall be carried on upon any Lot, except that the Declarant, the Builder, real estate brokers, Owners and their agents may show Lots for sale or lease. Notwithstanding the foregoing, the Declarant and each Builder and the agents and employees of each, shall have the right to: (i) use Lots and improvements erected thereon for sales offices, field construction offices, storage facilities, and its own general business offices; (ii) maintain fluorescent-lighted or spot-lighted model homes which may be open to the public for inspection 7 days per week for such hours as the Declarant or Builder deems appropriate or necessary; (iii) conduct any other activities on Lots to benefit sales efforts; and (iv) use the parking facilities on the Common Area for parking for its employees and invitees.

Section 2. Use of Accessory Structures. No tent, shack, barn, car port, metal awnings, metal utility sheds or other building, other than a Dwelling and its garage, shall be erected on a Lot, and used temporarily or permanently as a residence, nor shall any such structure be used for any other purpose. Notwithstanding the foregoing, the Declarant and, with the approval of the Declarant, a Builder, may use temporary buildings, offices or facilities in connection with the marketing, sale and construction of Units.

Section 3. Maintenance of Improvements. Each Owner shall maintain in good condition and repair all improvements constructed upon such Owner's Lot, including, without limitation, the Dwelling. No Owner shall change the exterior design or color of the Dwelling on such Owner's Lot, including the roof thereof, except in compliance with Article VIII hereof.

Section 4. Storage: Clothes Hanging. No Lot or Common Area shall be used for the storage of rubbish. Outside clothes hanging devices shall not be permitted.

Section 5. Nuisances. No noxious or offensive trade or activity shall be carried on upon any Lot or the Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No automobile or other vehicle mechanical repairs or like activity shall be conducted within the Properties other than in a garage and concealed from public view.

Section 6. Lawns. Each Lot on which there is a completed Dwelling shall be maintained in a neat condition by the Owner thereof or, as appropriate, the Association or a Subassociation. In this context, the word "Lot" shall include that portion of the property from the outside of the structure on the applicable Lot to the adjacent paved road surface. "Neat" shall require, at a minimum, that the lawn be regularly cut and fertilized and that mulched areas be regularly re-mulched and kept weeded so that its appearance is in harmony with the neighborhood. No Owner shall allow the grass on a Lot to grow to a height in excess of six (6) inches, measured from the surface of the ground. All improved Lots must have grass lawns; no gravel or similar type lawns are permitted.

Section 7. Failure to Maintain. If an Owner fails to maintain the Lot or the improvements thereon, the Association or the appropriate Subassociation, after giving such Owner at least ten (10) days' written notice, shall be authorized to undertake such maintenance at the Owner's expense. By accepting title to his Lot, each Owner shall be deemed to grant access upon the Owner's Lot and Dwelling for such purpose and such entry shall not constitute a trespass. If such maintenance is undertaken by the Association, Subassociation or Declarant, the charge therefor and all costs of enforcement and collection shall be secured by a lien against the Lot as provided in Article V hereof.

Section 8. Animals. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that a reasonable number of cats, dogs, and other household pets may be kept provided they are kept within the residence and are not kept, bred, or maintained for any commercial purposes or become a nuisance to the neighborhood. No person owning or having custody of an animal shall allow the animal to stray or go upon another Owner's Lot without the consent of such other Owner. No animals shall be permitted on or in the Common Area at any time except as permitted by the rules and regulations of the Association or by applicable law. All animals shall be on a leash when outside the Owner's Dwelling.

Section 9. Signs. No signs shall be displayed on any Lot with the exception of one "For Sale" or "For Rent" sign not exceeding 36" x 24" in size and signs of not more than ten (10) square feet expressing support of or opposition to political candidates or other issues which will appear on the ballot of a primary, general or special election, provided that such political signs shall not be placed on a Lot earlier than sixty (60) days before such election and shall be removed within two (2) days after such election. The Association may develop uniform sign standards and specifications to which all Owners must adhere. No sign of any kind shall be displayed in or on the Common Area without the prior written consent of the Association. Notwithstanding the foregoing, Declarant and, with the consent of and upon such conditions as Declarant, in its sole discretion, might impose, a Builder shall have the right to erect and maintain signs of any type and size on any Lot which it owns and on the Common Area, in connection with the development and sale of the Properties.

Section 10. Water Retention Areas. The Association shall be responsible for maintaining the portions of the storm water drainage system which are within the Common Area, including

the water quality and quantity standards of the approved plans, to the extent required by law. A drainage easement is hereby dedicated to the Association for the purpose of maintaining the storm water system to meet water quality and quantity design standards of the approved plans and any future governmental laws, rules or regulations.

Each Owner of a Lot which borders a water retention area shall maintain any portion of that Owner's Lot lying within a retention area free of debris but shall not remove any wetlands species or do anything that would affect adversely water quality within the water retention area.

Swimming and bathing in water retention areas are prohibited. Docks or other structures shall not be erected in water retention areas without the prior written consent of the Association. All other uses of water retention areas shall be subject to the prior written approval of the Association and such rules and regulations as the Association may adopt from time to time.

Section 11. Vehicles, Boats and Trailers. No vehicle of any kind shall be parked on any Lot except on a paved parking surface or driveway or within a garage. No truck or vehicle used primarily for commercial purposes (other than those temporarily present on business) and no trailer (except boat trailers and camper trailers) may be parked within the Properties. Any vehicle not in operable condition and validly licensed, may be kept on a Lot if kept inside a garage and concealed from public view. For the purpose of the preceding sentence, the term "kept" shall mean present for either a period of more than ten (10) hours or overnight, whichever is less.

Section 12. Walls, Fences, and Hedges. All walls, fences, planters and hedges shall be controlled strictly for compliance with this Declaration and architectural standards established by the Declarant or the ARC.

No wall, fence, planter or hedge in excess of two (2) feet in height shall be erected or maintained on a side lot line forward of a point located three (3) feet back from the front exterior corners of the main residential structure located on a Lot. For the purpose of this provision the front wall of the main residential structure excludes bay or box windows, chimney structures or any other similar appendage.

No perimeter wall, fence, or hedge in excess of six (6) feet in height shall be erected and maintained on a side lot line from a point located three (3) feet back from the front exterior corner of the main residential structure, backward to the rear property line on a Lot and along the rear property line of the Lot.

On corner lots, side yard fences must be set back from the side property line a minimum of one-half (1/2) of the side building line setback shown on the plat.

The design and materials of all fences shall be approved by the ARC prior to construction pursuant to the approval requirements of Article VIII, Section 1, of this Declaration.

Section 13. Antennae and Roof Structures. No radio or other electrical towers, aerials, antennae, , or other devices of any type for the reception or transmission of radio broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by 37 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to

time. The Association shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

An antenna permissible pursuant to rules adopted by the Association may be installed only if it is approved by the Association pursuant to Article VIII hereof.

Section 14. Visual Obstructions at the Intersections of Public Streets. No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways within the triangular area formed by the junction of street curb lines and a line connecting them at points twenty-five (25) feet from the junction of the street curb lines (or extensions thereof) shall be placed, planted or permitted to remain on any corner lots.

Section 15. Leased Units. An Owner may lease or sublet his Unit; provided, however, that any lease or sublease must contain the following provision:

"Tenant shall obey, adhere to and be bound by all provisions of the Declaration Of Covenants, Conditions And Restrictions For the SHILOH CREEK HOMEOWNERS', recorded in the Office of the Register of Deeds of Anderson County, South Carolina. Tenant acknowledges that he has received of a copy such Declaration-and the rules and regulations of the Association and is familiar with the provisions of same."

If an Owner fails to include said provision in any lease or sublease, it shall be conclusively deemed to be included and part of said lease or sublease. Owner shall furnish the Association a copy of any leases or subleases of his Unit.

Section 16. Minimum Size of Units. All Units constructed within the Properties shall be one thousand two hundred (1,200) square feet or larger.

Section 17. Attached Garages. All Units constructed within the Properties shall contain an enclosed garage that is permanently attached to and part of the Unit and such garage shall be large enough to accommodate at least one automobile.

Section 18. Seasonal or Holiday Decorations. (e.g., Christmas trees and lights, pumpkins, Easter decorations) shall be removed from each Lot or residential dwelling within a reasonable period of time after such holiday passes. The ARC has the sole discretion to determine what is a reasonable period of time for seasonal or holiday decorations to exist after the holiday passes and its determination shall be final.

Section 19. Deviations. Declarant at its sole discretion, is hereby permitted to approve deviations to restrictions in Article XI in instances where in its judgment, such deviation will not adversely affect the development of the Property as a whole. Such approvals must be granted in writing and when given will automatically amend these restrictions for that certain Lot only.

## ARTICLE XI GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the

Association or an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Further, the Board of Directors shall have the right to record in the appropriate land records a notice of violation of this Declaration or the Bylaws of the Association, or any rules, regulations, use restrictions, or design guidelines promulgated by the Association and to assess the cost of recording and removing such notice against the Owner in violation of the Declaration.

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

Section 3. Amendment. For so long as Declarant owns any Lot or Unit within the Properties, this Declaration may be amended by the Declarant, without the consent or joinder of any other Owner or the Association. Any such amendment shall be effective upon recording of same in the Office of the Register of Deeds of Anderson County, South Carolina. No amendment shall be binding upon any Lot or Owner until fifteen (15) days after a copy of such amendment has provided to such Owner.

The covenants and restrictions of this Declaration, and any amendments thereto, are appurtenant to and shall run with and be binding upon the Properties and the Owners thereof for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or amended by a vote of the Owners as set forth below.

Subject to the provisions of Section 8(e) hereof and after Class B Lots cease to exist, this Declaration may be terminated or amended during the first twenty-five year period by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots, and thereafter by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots, provided, however, that so long as there is Class B membership, no amendment adopted by the Owners shall be effective unless and until such amendment is approved in writing by the Declarant. Amendment or termination shall be by written instrument signed by the appropriate persons or entities and recorded in the Office of the Register of Deeds of Anderson County, South Carolina, and upon recordation, shall be binding on all Lots and Units within the Properties and the Owners thereof, without regard to whether the Owner of such Lot voted for or against or signed or did not sign the amendment.

Section 4. Interpretation. Headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing any provision hereof. Unless the context otherwise requires, the use herein of the singular shall include the plural and vice versa: the use of one gender shall include all genders; and the use of the word "including" shall mean "including, without limitation". This Declaration and the provisions thereof shall be construed and enforced in accordance with the laws of the State of South Carolina .

Section 5. Subdivision of Lots. No Lot within the Subdivision may be subdivided by sale or otherwise so as to reduce the total Lot area shown on the recorded plat, except by or with the consent of the Declarant and, if required, by the appropriate governmental authority.

Section 6. Declarant's Right To Change Development. With the approval of the appropriate governmental authority, and subject only to such terms and conditions as said

authority may impose, Declarant shall have the right, without consent or approval of the Owners, to create Lots and Units, add Common Area, and reallocate Lots or Units within the Properties.

Section 7. Rules and Regulations: Enforcement. The Board of Directors shall have the authority to adopt additional rules and regulations governing the use of the Common Area and the Lots within the Subdivision and shall furnish a written copy of said rules and regulations to the Owners) of each Lot at least fifteen (15) days before such rules and regulations become effective.

In addition to any other rights and remedies that the Association may have under the Bylaws and this Declaration, the Association may impose sanctions for a violation of this Declaration, the Bylaws of the Association, the rules and regulations adopted Association, and any restrictive covenants applicable to the Properties, in accordance with procedures set forth in the Bylaws, which sanctions may include, without limitation, reasonable monetary fines, which shall constitute a lien upon the Lot of the violator, and suspension of the right to vote and the right to use the Common Area any facilities thereon.

In addition, as provided in the Bylaws, the Association may exercise self-help to cure violations (specifically including, but not limited to, the towing of Owner and tenant vehicles that are in violation of parking rules) and may suspend the right of an Owner to use any Common Area and recreational facility within the Properties if the Owner is more than 30 days delinquent in paying any assessment or other charge due to the Association.

The Association shall at all times have the right and easement to go upon any Lot for the purposes of exercising its rights hereunder, including, but not limited to, enforcement of the architectural guidelines applicable to the Properties. Any entry onto any Lot for purposes of exercising this power of self-help shall not be deemed as trespass. All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In any action to enforce its rights and remedies, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement actions. Any such determination shall not be construed as a waiver of the right to enforce such provisions under other circumstances or to estop the Association from enforcing any other covenant, restriction or rule.

Section 8. Dispute Resolution.

(a) Consensus for Association Action.

(1) Except as provided in this Section, the Association may not commence a legal proceeding or an action under this Article without the approval of at least two-thirds of the Members. The foregoing shall not apply to: (i) actions brought by the Association to enforce the provisions of this Declaration, the Bylaws, or rules and regulations adopted by the Association (hereinafter collectively referred to as the "Governing Documents"); (ii) the imposition and

collection of assessments; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Association in proceedings against it.

(2) Prior to the Association or any Member commencing any proceeding to which Declarant is a party, including, without limitation, a proceeding based on an alleged defect in any improvement, Declarant shall have the right to be heard by the Members, or the particular Member, and to have access to inspect and correct the condition of or redesign any portion of any improvement as to which a defect is alleged or to otherwise correct or resolve the dispute.

(b) Alternative Method for Resolving Disputes. Declarant, its officers, directors, employees and agents, the Association, its officers, directors and committee members, all Owners, Members, any Builder, its officers, directors, employees and agents, and any other person or entity not otherwise subject to this Declaration who agrees to submit to this Section 8 (each such person or entity being herein referred to as a "Bound Party" or, in groups, as the "Bound Parties") each agrees to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances and disputes described in Subsection (c) hereof (herein referred to as the "Claims") to the procedures set forth in Subsection (d) hereof.

(c) Claims. Unless specifically exempted below, all Claims between any of the Bound Parties, regardless of how such Claims might have arisen or on what they might be based, including, but not limited to, Claims: (i) arising out of or relating to the interpretation, application or enforcement of the Governing Documents or the rights, obligations and duties of any Bound Party under the Governing Documents; (ii) relating to the design and construction of improvements; or (iii) based on any statements, representation, promises, warranties, or other communications alleged to have been made by or on behalf of any Bound Party, shall be subject to the provisions of Subsection (d) hereof.

Notwithstanding the foregoing, unless all parties to any such dispute otherwise agree in writing, the following shall *not* be deemed to be Claims covered by this Subsection (c) and shall *not* be subject to the provisions of Subsection (d):

(1) any proceeding by the Association against any Bound Party to enforce the provisions of Article V of this Declaration:

(2) any proceeding by the Association or the Declarant to obtain a temporary restraining order or injunction (or equivalent equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the *status quo* and preserve the Association's or the Declarant's ability to act under and enforce the provisions of Articles VIII and XI of this Declaration;

(3) any proceeding between or among Owners, which does not include the Declarant, a Builder, or the Association as a party, if such proceeding asserts a Claim which would constitute a cause of action independent of the Governing Documents; or

(4) any proceeding in which no Bound Party is an indispensable party.

With the consent of all parties thereto, any dispute involving any of the foregoing excepted actions may be submitted to the alternative dispute resolution procedures set forth in Subsection (d).

(d) Mandatory Procedures.

(1) Notice. Any Bound Party having a Claim (the "Claimant") against any other Bound Party (the "Respondent") (the Claimant and the Respondent being herein individually referred to as a "Party" and collectively as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(i) the nature of the Claim, including the persons or entities involved and the Respondent's role in the Claim:

(ii) the legal basis of the Claim (i.e., the specific provisions of the Governing Documents or other authority out of which the Claim arises);

(iii) the proposed remedy; and

(iv) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(2) Negotiation and Mediation.

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

(ii) If the Parties do not resolve the Claim within 30 days after the date of the Notice (or within such other time period as may be agreed upon by the Parties), Claimant shall have an additional 30 days in which to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate.

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

(iv) Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to AAA mediation, or within such other time as may be determined by the mediator or agreed to by the Parties, the mediator shall issue a written notice of termination of the mediation process, which notice shall state that the Parties are at an impasse and set forth the date that mediation was terminated (hereinafter "Termination of Mediation").

(v) Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all fees and expenses of the mediator and the administrative fees of mediation. If the Parties agree to a resolution of a Claim through negotiation or mediation as set forth in this Subsection (d), and any Party thereafter fails to abide by the terms of the settlement agreement, any other Party may file suit or initiate arbitration proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Subsection (d). In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or, if more than one Party *is in non-compliance*, from all non-complying Parties pro rata) all costs incurred by such Party in enforcing the agreement, including, without limitation, attorneys' fees and court costs.

(3) Binding Arbitration.

(i) After Termination of Mediation, Claimant shall be entitled to submit the Claim to final, binding arbitration under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. No Claim subject to this Subsection (d), whether by the provisions thereof or by agreement of the Parties, shall be submitted to or decided by or in a court of law. Any judgment upon the award entered by the arbitrator may be entered in and enforced by a court of competent jurisdiction. If the amount claimed by the Complainant or, by the Respondent in a counterclaim, exceeds \$250,000, the Claim shall be heard and determined by three arbitrators. Otherwise, unless the Parties otherwise agree, the Claim shall be heard and determined by an arbitrator. An arbitrator shall have expertise in the areas) of the Claim, which may include legal expertise if legal issues are involved.

(ii) Each Party shall bear its own costs of the arbitration, including attorneys' fees, and each Party shall share equally all fees and expenses of the arbitrator and the administrative fees of arbitration.

Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions regarding the arbitrability of any Claim shall be decided by the arbitrator(s).

(iii) The award of the arbitrators shall be accompanied by detailed written findings of fact and conclusions of law. Except as required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all Parties involved in the arbitration.

(e) Amendment of Subsection. Notwithstanding any other provision of this Declaration, this Article XII Section 8 may not be amended prior to the expiration of 20 years from the date of recording of this Declaration without the prior written consent of the Declarant.

(f) Notwithstanding anything to the contrary contained in this Subsection 8, the Declarant, Association, Members, Owners, and any person not otherwise subject to the Declaration who agrees to submit to this Article XII Section 8 (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes between and among themselves, as well as the architect, engineer or other design professional, and the construction contractor of the Subdivision, each of whom are intended to be, and shall be, a third-party beneficiary hereof,

involving the Declaration or the Subdivision, and to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes, including those in the nature of counterclaims or cross-claims, and whether based upon contract, tort, statute, common law or otherwise, between and among Bound Parties involving the Declaration or the Association (but not matters applicable solely to the Association and the Declaration), including without limitation, claims, grievances or disputes arising out of or relating to the design and/or construction of the Subdivision, or any portion thereof, or interpretation, application or enforcement of the Declaration (collectively "Claims"), except for exempt claims under Section 8 (c), are subject to the procedures set forth in Section 8 (d).

Witness our hands and seals this 19 day of September, 2007.

Signed, Sealed and Delivered in the presence of:

[Signature]  
Witness Number 1

[Signature]  
Witness Number 2

[Signature]  
Witness Number 1

[Signature]  
Witness Number 2

DECLARANT:

SHILOH CREEK, LLC

By: [Signature]

Title: Member

DECLARANT:

AHO HOMES, LLC

By: [Signature]  
Tim Hbo

Title: Member

STATE OF SOUTH CAROLINA )  
  )  
COUNTY OF ANDERSON )

Personally appeared before me this date the above subscribed authorized agents of SHILOH CREEK, LLC, & AHO HOMES, LLC, and acknowledged the execution of the foregoing instrument this 19 day of September, 2007.

[Signature] (SEAL)  
Notary Public for South Carolina  
My Commission Expires April 29, 2012

070031349 10/02/2007 10:35:00 AM  
FILED, RECORDED, INDEXED  
Bk: 08284 Pg: 00228 Pages: 026  
Rec Fee: 32.00 St Fee:  
Co Fee:  
REGISTER OF DEEDS, ANDERSON CO, SC  
Shirley McEihannon

**BYLAWS OF THE  
SHILOH CREEK HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I  
NAME AND LOCATION**

The name of the corporation is SHILOH CREEK HOMEOWNERS' ASSOCIATION, INC. (hereinafter the "Association"). The principal office of the Association shall be located in Greenville County. The location of the principal office of the Association may be changed by the Board of Directors. Meetings of Members and directors may be held in such places within Greenville or Anderson County, South Carolina, as may be designated by the Board of Directors.

**ARTICLE II  
DEFINITIONS**

All terms defined in the Declaration Of Covenants, Conditions And Restrictions For the Shiloh Creek Community, to be recorded in office of the Register of Deeds of Anderson County, South Carolina, (the "Declaration"), shall have the same meanings when used herein.

**ARTICLE III  
MEMBERSHIP AND VOTING RIGHTS**

Membership and voting rights shall be as provided for in the Declaration.

**ARTICLE IV  
MEETINGS OF MEMBERS**

Section 1. Annual Meetings. The regular annual meeting of the Members shall be held in the last quarter of each fiscal year on the day, at the hour, and at the place specified in the notice to the Members of the meeting.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or a majority of the members of the Board of Directors. After Class B Lots cease to exist, special meetings of the Members shall be called upon the written request of the Members entitled to at least ten percent (10%) of the votes of the entire membership.

Section 3. Place of Meetings. Meetings of the Members shall be held at such place within Anderson County, South Carolina, as may be determined by the Board of Directors.

Section 4. Notice of Meetings. Except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, to each Member entitled to vote at such meeting, by hand delivery or by mailing a copy of such notice, postage prepaid, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Notice of

the initial meeting shall be sent by first class mail or faxed/e-mailed within 24 hours of the scheduled meeting. Notice of subsequent meetings shall be sent by first class mail or hand delivered not less than 30 days or more than 60 days before the date of the meeting. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the exact purpose of the meeting, including the text of any proposals to be voted on at such special meeting. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 5. Quorum. Except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws, the presence at a meeting of Members or their proxies entitled to cast twenty-five percent (25%) of the votes of the entire membership shall constitute a quorum for any action. If, however, a quorum is not present or represented at any meeting, the Members or their proxies present and entitled to vote thereat shall have power to adjourn the meeting and reschedule a meeting where then ten percent (10%) would constitute a quorum.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 7. 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, is signed by Members holding at least 80% of the voting power of the Association and filed with the Secretary of the Association to be kept in the minute book of the Association.

Section 8. Ratification of the Budget by the Members. The Board of Directors shall adopt a proposed budget for the Association at least annually. Within 30 days after adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than 30 days nor more than 60 days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present in order to vote on ratification of the budget (although a quorum must be present to vote on other matters). The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget. If the proposed budget is rejected, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board of Directors.

## ARTICLE V BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by a Board of Directors.

Section 2. Number, Term and Qualification. The number of directors of the Association shall be five, with one director to serve for a term of one year, two directors to serve for a term of two years, and two directors to serve for a term of three years.

At each annual meeting, the Members shall elect the number of directors needed to fill the vacancy or vacancies created by the director or directors whose term(s) is (are) expiring.

**Section 3. Nomination.** Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

**Section 4. Election.** Except as provided in Section 6 of this Article, the directors shall be elected at the annual meeting of the Members by secret written ballot. In such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled under the provisions of Article III of these Bylaws. The person(s) receiving the highest number of votes shall be elected. Neither cumulative voting nor fractional voting is permitted.

**Section 5. Removal.** Any director may be removed from the Board of Directors, with justified reasons, by a majority vote of a quorum of 25% of Members entitled to vote.

**Section 6. Vacancies.** A vacancy occurring in the Board of Directors may be filled by the selection by the remaining directors of a successor, who shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors.

**Section 8. Compensation.** No director shall receive compensation for any service he may render to the Association in the capacity of director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

## ARTICLE VI MEETINGS OF DIRECTORS

**Section 1. Regular Meetings.** Regular meetings of the Board of Directors shall be held at least quarterly, without notice, and at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should the date of such meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

**Section 2. Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two directors, after not less than three (3) days' notice to each director.

**Section 3. Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors

present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 4. Informal Action by Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if written consent to the action so taken is signed by all the directors and filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action so taken.

Section 5. Chairman. A Chairman of the Board of Directors of Directors *shall* be elected by the directors and shall preside over all Board of Directors meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the President, a Chairman shall be elected by the Board of Directors to serve until a new President is elected.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

#### Section 1. Powers.

The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the Members and their guests thereon and establishing penalties for infractions thereof, and adopt and publish rules and regulations interpreting and/or supplementing the restrictions and covenants applicable to the Properties, and take any and all actions deemed by the Board of Directors to be necessary or appropriate to enforce such rules and regulations;

(b) suspend a Member's voting rights during any period in which he shall be in default in the payment of any assessment levied by the Association pursuant to Article V of the Declaration. Such rights may also be suspended after such notice and hearing as the Board of Directors, in its sole discretion, shall establish, for a period not to exceed 60 days, for infraction of the published rules and regulations of the Association;

(c) exercise for the Association all powers, duties and authority vested in or delegated to the Association by the Articles of Incorporation, these Bylaws, the Declaration, the South Carolina Nonprofit Corporation Act of 1994;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without good cause;

(e) employ a manager (including the Declarant, as provided in the Declaration) and such other employees or independent contractors as it deems necessary and prescribe their duties, and contract with a management company to manage the operation of the Association. In

the event that a contract is entered into with a management company, such contract must be terminable by the Board of Directors without cause or penalty on not more than ninety (90) days' notice and any management contract made with the Declarant shall be for a period not to exceed three years and such contracts cannot be automatically renewed but must be reviewed by the Board;

(f) employ attorneys, accountants and other persons or firms to represent the Association when deemed necessary;

(g) grant easements for the installation and maintenance of sewage, utility or drainage facilities upon, over, under and across the property owned by the Association without the assent of the Members when such easements are necessary for the convenient use and enjoyment of the Properties; and

(h) appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient.

The Board of Directors may, in its discretion, delegate any of its powers to a subcommittee of the Board of Directors, an officer of the Association, or a manager, agent or attorney employed by the Association, provided, however, that such delegation shall not relieve the Board of Directors of its obligation to ensure that the duties set forth in this Article VII are faithfully carried out or that the powers so delegated are appropriately exercised by such delegate.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing at least five (5) working days before such meeting by Members entitled to at least one-fourth (1/4) of the votes appurtenant to the Class A Lots;

(b) supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(c) as provided in Section 8 of Article IV of these Bylaws, adopt annual budgets and obtain Member ratification thereof, and establish and enforce procedures for collection of assessments and for filing and enforcement of liens for unpaid dues as provided in the Act;

(d) issue, or cause an appropriate officer of the Association to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be established by the Board of Directors for the issuance of such certificate. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment;

(e) procure and maintain: (i) adequate liability insurance covering the Association; (ii) officers' and directors' errors and omissions insurance; and (iii) full replacement value hazard insurance on the real and personal property owned by the Association;

(f) cause the Common Area and all facilities erected thereon and any portions of any Lot or Unit for which the Association has maintenance responsibility to be maintained;

(g) establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the improvements constructed on the Common Area;

(h) provide such notices to and obtain such consents from the owners and holders of first mortgages on Lots within the Properties as is required by the Declaration or these Bylaws;

(i) pay all ad valorem taxes and public assessments levied against the real and personal property owned in fee by the Association; and

(j) hold annual and special meetings and elections for the Board of Directors.

**Section 3. Enforcement.** In addition to such other rights as are specifically granted in the Articles of Incorporation, the Declaration or these Bylaws, the Board of Directors shall have the power, pursuant to the procedures set forth in this Section, to impose sanctions for violations by a Owner, a member of his family, or any occupant, tenant, employee, guest or invitee of the Owner, of the Declaration, these Bylaws, rules and regulations adopted Association or the Restrictive Covenants applicable to the Properties (hereinafter individually and collectively referred to as the "Rules"), which sanctions may include, but are not limited to, reasonable monetary fines, not to exceed the greater of the costs actually incurred by the Association in abating such violation including, without limitation, attorney's fees, or \$10.00 per day, or part thereof, in which the violation continues to exist for a first violation, \$25.00 per day for a second violation of the same rules or regulations, and \$100.00 per day for a third or subsequent violation, and which fines shall constitute a lien upon the Lot of the Owner, and suspension of the right to vote and the right to use any recreational amenities within the Common Area. In the event that a deadline is not met, any and all fines will be retroactive. In addition, the Board of Directors may suspend any services provided by the Association to an Owner or the Owner's Lot if the Owner is delinquent in paying any assessment or other charges owed to the Association. The failure of the Board of Directors to enforce any of the Rules shall not be deemed a waiver of the right to do so thereafter.

(a) **Notice.** Before imposition of any sanction, the Board of Directors or its delegate shall give the Owner written notice describing: (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a period of not less than 15 days within which the Owner may present a written request for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received by the Board of Directors before the end of the period set forth in such notice (the "Notice Period"). Such notice will be sent by certified mail, return receipt requested. Notice sent by certified mail shall be deemed received on the third business day after same is deposited in the United States

Mail. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting, unless the appearance is made to protest the lack of notice.

If a request for a hearing is not received before the end of the Notice Period, the sanction stated in the notice shall be imposed; provided, however, that the Board of Directors may waive any proposed sanction if the violation is cured before the end of the Notice Period. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person.

(b) Hearing. If a hearing is timely requested, the hearing shall be held by the Board of Directors in executive session. The Owner shall be afforded a reasonable opportunity to be heard. A written statement of the results of the hearing and the sanction, if any, imposed, shall be placed in the minutes of the Board of Directors.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board of Directors may elect to enforce any provision of the Rules, without the necessity of compliance with the notice and hearing procedures set forth herein, by self-help methods (specifically including, but not limited to, the towing of Owner and tenant vehicles parked in violation of parking rules) or by action at law or in equity to enjoin any violation or to recover monetary damages or both. In any such action, to the maximum extent permissible, the Association shall be entitled to recover all costs of such action, including reasonable attorney's fees incurred. Any entry onto any Lot for purposes of exercising this power of self-help shall not be deemed as trespass.

## ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President, who shall at all times be a member of the Board of Directors, a Secretary, a Treasurer, and such Vice President(s) and other officers as the Board of Directors may from time to time by resolution appoint.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless they shall sooner resign, be removed, or be otherwise disqualified to serve.

Section 4. Special Appointments. The Board of Directors 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 of Directors may from time to time determine.

Section 5. Resignation and Removal. Any may be removed from office, with or without cause, by a majority vote of the Board of Directors. Any officer may resign at any time by giving

written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by the Board of Directors. The person appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article. Notwithstanding the foregoing, the offices of Secretary and Treasurer may be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The President shall: preside at all meetings of the Board of Directors and of the Members; see that orders and resolutions of the Board of Directors are carried out; sign all leases, promissory notes, mortgages, deeds and other written instruments; and, in the absence of the Treasurer, sign all checks.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

(c) Secretary. The Secretary shall: record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep the corporate seal of the Association and affix it on all papers requiring a seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association and their addresses; and perform such other duties as required by the Board of Directors.

(d) Treasurer. The Treasurer shall: receive and deposit in appropriate bank accounts all funds of the Association and disburse such funds as directed by resolution of the Board of Directors; review financial statements if an outside manager is keeping the Association books; keep proper books of account or review books if these are maintained by an outside management company; issue, or cause to be issued, all requested certificates setting forth whether the assessments applicable to a specific Lot have been paid; cause an annual audit of the Association books to be made by an independent public accountant at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members; review any and all contracts for the Association; and, if directed by resolution of the Board of Directors, sign all checks of the Association.

## ARTICLE IX COMMITTEES

The Board of Directors of the Association shall appoint a Nominating Committee as provided in Section 3 of Article V of these Bylaws. The Board of Directors shall appoint an architectural committee and such other committees as it deems necessary to carry out the affairs of the Association.

## ARTICLE X BOOKS AND RECORDS

Section 1. Inspection by Members. The membership register (including names, mailing addresses, telephone numbers and voting rights), books of account and minutes of meetings of the Members, of the Board of Directors (including drafts and summaries), and of committees shall be made available for inspection and copying by any Member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the principal office of the Association. The Board of Directors minutes shall be available to Members within thirty days of the meeting, and shall be distributed to any Member upon request and upon reimbursement of the costs in making that distribution.

Section 2. Rules for Inspection. The Board of Directors shall establish reasonable rules with respect to:

- (a) Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (b) Hours and days of the week when such an inspection may be made; and
- (c) Payment of the cost of reproducing copies of documents requested by a Member.

Section 3. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents, at the expense of the Association.

## ARTICLE XI MISCELLANEOUS

Section 1. Amendments. These Bylaws may be amended by a majority of the directors holding office, provided, however, that such amendment may not be in contravention of any provision of the South Carolina Nonprofit Corporation Act of 1994.

Subject to the provisions of South Carolina Nonprofit Corporation Act of 1994, these Bylaws may be amended if such amendment is approved by: (i) the Board of Directors; (ii)

Members entitled to cast at least fifty-one percent (51%) of the votes of the Association; and (iii) so long as Declarant owns any Lots within the Subdivision, by the Declarant, provided, however, that such amendment may not be in contravention of any provision of the South Carolina Nonprofit Corporation Act of 1994.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 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.

Section 4. Gender. Any use of the masculine gender in these Bylaws shall be construed to include the feminine gender. Any use of the singular shall be construed, as appropriate, to include the plural, and *vice versa*.

Section 5. Severability. If any provision of these Bylaws or the application thereof to any person or circumstances shall be held invalid or unenforceable to any extent by a court of competent jurisdiction, such provision shall be complied with or enforced to the greatest extent permitted by law as determined by such court, and the remainder of these Bylaws and the application of such provision to other persons or circumstances shall not be affected thereby and shall continue to be complied with and enforced to the greatest extent permitted by law.

Section 6. Declaration. The Declaration is incorporated into these Bylaws by reference.

**[SIGNATURE / CERTIFICATION PAGE ATTACHED]**

**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the Secretary of Shiloh Creek Homeowners' Association, Inc., a South Carolina non-profit corporation, and

That the foregoing Bylaws constitute the original Bylaws of the Association, and have been duly adopted.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this 12<sup>th</sup> day of June, 2008.

Shiloh Creek Homeowner's Association, Inc.

Susan Helman  
Witness

Bruce Aho  
Secretary, Shiloh Creek HOA

Starr Hammond  
Witness

**Uniform Acknowledgement**

State of South Carolina  
County of Anderson

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of June, 2008, by Bruce Aho, Secretary of the Shiloh Creek Homeowner's Association, Inc.

Starr Hammond  
Signature of Notary Public

Starr Hammond

My Commission Expires: 4/26/09

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Rec Fee: 17.00 St Fee:  
Co Fee:  
REGISTER OF DEEDS, ANDERSON CO, SC  
Shirley McElhannon