

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

- Declaration of Covenants, Conditionsand Restrictions for the Townhomes at
-) Azaleas Place Subdivision

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

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to Townhomes at Azaleas Place Homeowner's Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Owner shall not mean Declarant.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, as shown on Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners that is not a Lot.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, together with the improvements thereon, with the exception of the Common Area.

Section 6. "Declarant" shall mean Azalea Place Development, LLC its successor or assigns.

- Section 7. "Declaration" shall mean this document which will be recorded.
- **Section 8. "Architectural Review Board" ("ARB")** shall mean a committee appointed by the Declarant or Association who assists the Declarant or Association pursuant to Article III, Section 7, and Article V of his Declaration.
- **Section 9. "Annexation"** shall mean and refer to the process by which portions of the Expansion Property or Adjoining Land are made subject to this Declaration as provided in Article XII.
- **Section 10. "Expansion Property"** shall mean and refer to such additional real property owned by Declarant or acquired by Declarant in the future as Declarant shall make subject to the provisions of this Declaration, by duly recorded Declaration of Annexation.

ARTICLE II PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment.

Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to charge reasonable fees for the use of any recreational facility situated upon the Common Area:
- (b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations.
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by at least two-thirds (2/3) of the members agreeing to such dedication or transfer has been recorded.
- (d) The limitation or use of parking spaces provided in this Article;
- (e) The right of the Association, with the assent of two-thirds (2/3) of the members, to mortgage, pledge, deed in trust or hypothecate any or all of its real and personal property as security for money borrowed or debts incurred.

Section 2. Delegation of Use.

Any Owner may delegate, in accordance with the Association By-Laws, his rights or

enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking.

Ownership of each Lot shall entitle the Owner or Owners thereof to the use of two (2) automobile parking spaces together with the right of ingress and egress in and upon said parking area. Parking of boats, buses, trailers, motor homes, camping trailers and similar vehicles is prohibited. All vehicles must have valid registration and be in operating condition.

(a) Parking. Each Lot is entitled to two parking spots, as shown on the Plat for the Subdivision, which is recorded in Book 2625 at Page 191, which are subject to such reasonable rules and regulations as the Board of Directors may adopt, including the assigning of particular parking spots to each Lot. Any additional spots in the Common Area that are not allocated to each Lot will be allocated to the Association.

All commercial vehicles (i.e., those having lettering or logos), tractors, mobile homes, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers are prohibited unless otherwise permitted by the Board. Any such vehicle or recreational equipment parked in violation of these or other regulations contained herein or in the rules and regulations now or hereafter adopted by the Association may be towed by the Association at the sole expense of the Owner of such vehicle or recreational equipment if it remains in violation for a period of twenty-four (24) hours. The Association shall not be liable to the Owner of such vehicle or recreational equipment for trespass, conversion or otherwise, nor guilty of any criminal act by reason of such towing and neither its removal or failure of the Owner to receive any notice of said violation shall be grounds for relief of any kind.

- (b) Vehicle Maintenance and Repair. No maintenance or repairs shall be performed on any vehicles upon any portion of the Property. Notwithstanding the foregoing, all repairs to disabled vehicles within the Property must be completed within four (4) hours from its immobilization or the vehicle must be removed. The Association shall be allowed to maintain and store its maintenance vehicle on specific areas of the Property as necessary for the operation and maintenance of the Association.
- (c) Signs. No sign or other advertising device of any nature shall be placed upon any part of the Property except as provided herein. The ARB may, in its discretion, adopt and promulgate rules and regulations relating to signs which may be employed. Signs and other advertising devices may be erected and maintained upon any portion of the Property if approved by the ARB as to color, location, nature, size and other characteristics of such signs or devices. Notwithstanding the foregoing, Declarant specifically reserves the right to itself,

its successors, nominees, assigns and the Association to place and maintain signs in connection with construction, marketing, sales and rentals of Lots and identifying or informational signs anywhere on the Property.

Section 3. Recorded Easements.

The Property and all portions thereof shall be subject to easements shown on any recorded Plat of the Property or any portion thereof and to any other easements of record as of the date of recordation of this Declaration.

Section 4. Utility Easements.

There is hereby created a general easement upon, across, over, in and under the Property for ingress and egress and for installation, replacement, repair and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity and cable television. By virtue of this easement it shall be expressly permissible and proper for the companies providing electricity, telephone, cable television and other communication services to install and maintain necessary equipment on the property and to affix and maintain electricity, communications, cable television and telephone wires, conduits and circuits under the Property. No water, sewer, telephone, electricity, cable television or communication lines, systems or facilities may be installed or relocated on the surface of the Property unless approved by Declarant prior to termination of the Class "B" members, or after such termination, by the ARB. Such utilities temporarily may be installed above ground during construction, if approved by Declarant or the ARB as stated above. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided for without disturbing the uses of the Owners, the Association and Declarant; shall perform its installation and maintenance activities as promptly and expeditiously as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, either Declarant or the Association shall have, and are hereby given, the right and authority to grant such easement upon, across, over or under any part or all of the Property without conflicting with the terms of this Declaration. This general easement shall in no way affect, avoid, extinguish or modify any other recorded easement on the Property.

Section 5. Reservation for Expansion.

Declarant hereby reserves to itself and for Owners of Lots and Tracts in all future phases of the Association a perpetual easement and rights-of-way for access over, upon and across the Property for construction, utilities, drainage, ingress and egress and for use of the Open Space and Common Area. The location of these easements and rights-of-way must be approved and may be documented by Declarant or the Association by recorded instruments.

Section 6. Reservation of Easement, Exceptions and Exclusions.

Declarant reserves to itself and hereby grants to the Association the concurrent right to

establish from time to time, by declaration or otherwise, utility and other easements, permits or licenses over the Common Area for purposes including but not limited to streets, paths, walkways, drainage, irrigation, parking areas, ducts, shafts, flues and conduit installation areas, and to create other reservations, exceptions and exclusions for the best interest of all the Owners and the Association in order to serve all the Owners within The Association, initially built and expanded. Declarant further reserves the right to establish from time to time, by declaration or otherwise, utility and other easements and to create other reservations, exceptions and exclusions convenient or necessary for the use and operation of any other property of Declarant, as long as such action does not hamper the enjoyment of The Association, as built or expanded, by the Owners.

Section 7. Emergency Easement.

A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

Section 8. Maintenance Easement.

An easement is hereby reserved to Declarant and granted to the Association and any member of the Board of Directors or the Manager and their respective officers, agents, employees and assigns, upon, across, over, in and under the Lots and Tracts and a right to make sure use of the Lots and Tracts as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association documents, including the right to enter upon any Lot, Building Site or Parcel for the purpose of performing maintenance to the landscaping or the exterior of Improvements on such Lot Parcel as required by the Association Documents.

Section 9. Drainage Easement.

An easement is hereby reserved to Declarant and granted to the Association, its officers, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels on the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners, the Association and Declarant, as applicable, to the extent possible, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to in an aesthetically pleasing and usable condition as soon as reasonably possible following such work. Declarant, its officers, agents, employees, successors and assigns must inform and obtain the approval of the Board of Directors prior to undertaking such drainage work, which approval shall not be unreasonably withheld.

Section 10. Irrigation.

Irrigation ditches, systems and pipelines may be constructed by the Association throughout the Property for the maintenance of the Open Space and such other spaces and areas as Declarant or the Association may from time to time decide. The Association

is hereby granted the right to maintain these ditches, systems and pipelines and to enter upon Lots as necessary to perform such maintenance.

Section 11. Declarant's Rights Incident to Construction.

Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Open Space and Common Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of Improvements of the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment and access to an Owner's Lot by that Owner or his family, tenants, employees, guests or invitees.

Section 12. Easements for Access.

All roads, parking spaces, and all other paved areas meant for vehicular traffic shall be owned by the Association. The Association does hereby grant an easement for the benefit of the Owners and their families, guests, tenants, employees and invitees.

Section 13. Easements Deemed Created.

All conveyances of lots made after the date of recordation of this Declaration, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article V, even though no specific reference to such easements or to this Article V appears in the instrument for such conveyance.

Section 14. Partition or Combination of Lots.

No lots shall be combined, separated, or be partitioned from any other part thereof, except as provided in this Section. The Declarant may, at any time, may partition, separate, or combine any lots or parts thereof which are owned by the Declarant.

Section 15. No Partition of Common Area.

The Common Area shall be owned by the Association, and no Owner shall bring any action for partition or division of the Common Area. By acceptance of a deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived such Owner's right to institute or maintain a partition action or any other action designed to cause a division of the Common Area, and this Section may be pleaded as a bar to any such action. Any Owner who shall institute or maintain any such action shall be liable to the Association, and hereby agrees to reimburse the Association for its costs, expenses and reasonable attorneys' fees in defending any such action.

ARTICLE III THE ASSOCIATION

Section 1. Dedication of Common Area.

Declarant may hereafter convey to the Association certain parts of the Property as Common Area intended for common use by the Owners in the Association, including the

roads. Such designated areas shall, upon conveyance, be dedicated to the common use and enjoyment of Owners, and their families, guests, tenants, employees and invitees.

Section 2. Association's Responsibility for Common Area.

Subject to the rights of the Owners set forth in this Declaration, the Association shall be responsible for the management and control of the Common Area dedicated under Article III, Section 1, of this Declaration and all Improvements in the Common Area (including equipment related thereto), and shall keep it in good, clean and attractive condition and repair consistent with the requirements of a first class residential community, pursuant to the terms and conditions of this Declaration.

Section 3. Membership.

Every Owner, by virtue of being an Owner and for as long as he is an owner, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. No Owner, whether one or more persons, shall have more than one membership per Lot owned, but all of the persons owning each Lot shall be entitled to rights of membership and of use and enjoyment appurtenant to such ownership. The Articles of Incorporation and By-Laws of the Association may set forth additional classifications of membership, which Members may or may not be Owners.

Section 4. Classes of Membership and Voting Rights.

The Association shall have two classes of membership:

- (a) Class A: Class A Members shall be all Owners, with the exception of Declarant. Each Class A Member shall be entitled to a specific number of votes based on the actual subdivision (as opposed to the permitted density) of the Lot owned, computed as follows:
 - (i) One vote for each Lot, according to the Plat.

The Ownership interests enumerated in Paragraph (i) above are sometimes referred to as "Voting Units." When more than one person holds an interest in any Voting Unit, all such persons shall be Members. The vote for such Voting Unit shall be exercised as the Owners among themselves determine, and the Secretary of the Association shall be notified of such designation prior to any meeting.

- (b) Class B: The Class B Member(s) shall be Declarant and any successor of the Declarant who takes title to all or part of the Property for the purpose of development and sale and who it designated as a successor declarant in a recorded instrument executed by Declarant. Class B Members shall be entitled to three (3) votes for each Voting Unit (Voting Unit shall be as previously defined in this Section) owned. The Class B membership shall terminate on either of the following dates, whichever occurs earlier;
 - (i) 25 years from the date of the recording of this Declaration; or

- (ii) The date on which Declarant voluntarily relinquishes its Class B membership as evidenced by a notice recorded in the R.O.D. Office for RICHLAND County, South Carolina.
- (c) Voting Members. Only Voting Members shall be entitled to cast votes at Association meetings on matters pertaining to this Association, including the election of members of the Board of Directors, amending this Declaration, the Articles of Incorporation and By-Laws of the Association and all other matters which may be brought before the Association membership except as otherwise provided in this Declaration.

Section 5. Compliance With Document.

Each Owner shall abide by and benefit from the provisions, covenants, conditions, and restrictions contained in the Declaration.

Section 6. Rules and Regulations.

The Association from time to time and subject to the provisions of the Association documents, may adopt, amend and repeal rules and regulations, to be known as the "Association Rules," governing, among other things and without limitation:

- (a) The use of Open Space;
 - (i) Common Areas are for the use of all residents. Toys, outdoor equipment, trash or other personal items are not allowed to be left in Common Areas. The Association has the right to dispose of anything left in these areas without notice and any fees for disposal will be charged to unit owner.
- (b) Deliberately Kept Blank for Future Amendments;
- (c) Collection and disposal of garbage and trash;
 - (i) The Association shall provide the community with trash compactors that will place in the Common Area.
 - (ii) All household trash must be bagged and disposed of into dumpsters. There is no disposing of large items on property ie: furniture, appliances, construction material, etc. Anything other than household trash must be removed by resident. Any trash that is needed hauled off by Association, costs will be billed back to unit owner. No littering on property allowed.
- (d) The burning of open fires;
 - (i) Grills, gas or charcoal, must be used 10 feet from any dwelling. Gas grills cannot be stored in any closed area or storage room. No other open flames are allowed, ie: fire pits, torches or barrel burning.
- (e) The control of animals;
 - (i) Pets must be on leashes at all times and Richland County pet laws apply. Owners are to be considerate on where they curb their pets and must clean up after their pets and dispose of in appropriate container. No more than

three (3) domestic pets allowed per unit of which only two (2) can be dogs. No animal should be a nuisance to other residents.

- (f) The posting of maximum speeds for vehicular traffic and other traffic rules;
- (g) Deliberately Kept Blank for Future Amendments
- (h) The types of vehicles (other than conventionally equipped passenger automobiles) and the times when any vehicle or motorized vehicle or device may be permitted to use the roads within The Association or any other area of the Property.
- (i) Speed limit throughout Property is 5mph.
- (j) There is to be no use of fireworks, bb guns or firearms on property nor other illegal activity either inside unit or outside in common area.
- (k) All residents are responsible for the actions of their guest(s), agents, licensees, invitees, and any other who is invited on the Property by the Owner.

In the event "Association Rules" are amended, they will be recorded in the Register of Deeds Office for RICHLAND County, South Carolina.

Section 7 Assistance to Architectural Review Board ("ARB").

The Association shall in all respects cooperate with and assist the ARB in the complete attainment of the ARB's functions, and in the enforcement of its Architectural Guidelines, rules, regulations and decisions as discussed in Article V of the Declaration.

Section 8. Manager.

The Association may employ or contract for the services of a Manager, provided that no such employment shall be by a contract having a term of more than three (3) years, and each such contract shall be subject to cancellation by the Association upon thirty (30) days or less prior notice without cause and without payment of a termination fee. The Manager shall not have the authority to make expenditures for additions or improvements chargeable against the Maintenance Fund except upon specific prior approval and direction by the Board. The Board shall not be liable for any omission or improper exercise by a Manager of any such duty, power or function so delegated by written instrument executed by or on behalf of the board.

Section 9. Ownership of Personal and Real Property for Common Use

The Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold or other property interests within The Association conveyed to the Association by Declarant.

Section 10. Privately Maintained Easement.

The Association shall be responsible for the maintenance of the privately maintained easement as shown on the Bonded Subdivision Plat for The Association recorded in Book 2625 at Page 191. Such maintenance will be periodic in nature on an as-needed basis,

as determined by the Association. The cost of maintaining this private easement shall be included as part of the annual assessment and will be maintained by the Association in accordance with Section XI of the Declaration.

Section 11. Books and Records.

The Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and Mortgagees current copies of the Association Documents and the books, records and financial statements of the Association prepared pursuant to the By-Laws. The Association may charge a reasonable fee for copying such materials.

Section 12. Successor of Declarant.

The Association shall succeed to all of the rights, duties and responsibilities of Declarant under the Declaration upon termination of the Class B membership in accordance with Section 4(b) above. The Association shall not succeed to any rights of Declarant regarding any portion of the Expansion Property which has not then been annexed to the Property. The Association may delegate any of such rights, duties or responsibilities to the ARB or to any other committee or entity which it may choose to form.

Section 13. Implied Rights and Obligations.

The Association may exercise any other right or privilege given to it expressly by the Association documents, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association under this Declaration or reasonably necessary to effectuate any such right or privilege. The Association shall perform all of the duties and obligations imposed on it expressly by the Association Documents, together with every other duty or obligation reasonably to be implied from the express provisions of the Association Documents or reasonably necessary to satisfy any such duty or obligation.

ARTICLE IV ASSESSMENT FOR COMMONEXPENSES

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but will remain a lien upon the Lot.

Section 2. Purpose 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 Properties and in particular for the administration, acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the exterior maintenance of the homes situated upon the Properties or for the use and enjoyment of the Common Area, including but not limited to, the cost of utilities, repairs, replacements and additions, the cost of labor, equipment, materials, management, maintenance and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the payment of charges for garbage service, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Establish Annual Assessment.

The annual assessment, shall be One Hundred Twenty-Five and 00/00 Dollars (\$125.00) per month, per Lot, in advance, subject to the provisions below.

- (a) The annual assessment for the fiscal year shall be established by the Board of Directors and may be increased by the Board of Directors without approval by the membership by an amount not to exceed ten (10%) percent of the maximum annual assessment of the previous year.
- **(b)** The annual assessment may be increased without limit by a vote of fifty-one percent (51%) of the members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) When the Board of Directors fixes annual assessments for each calendar year, the Board shall, at the same time, and in connection therewith, prepare or cause to be prepared, an annual budget showing the services furnished by the Association.
- (d) The Declarant is exempt from paying annual assessments except for the portion of the annual assessment that is being utilized to insure the Property and Common Areas.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Properties, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of fifty-one percent (51%) of the members who are voting in person or by proxy at the meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 15 days or more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast fifty percent (50%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the date set for the preceding meeting.

Section 6. Uniform Rate of Assessment.

Except as hereinafter provided in Section 7, all annual assessments shall be fixed at a uniform rate for all Lots and shall be collected on a annual basis, or any other basis approved by the Board of Directors.

Section 7. Date of Commencement of Annual Assessments; Due Dates. At least thirty (30) days in advance of each assessment period the Board of Directors shall fix the amount of the annual assessment and notify every Owner subject thereto. The due dates shall be established by the Board of Directors in accordance with Section 3.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. As more fully provided in the Declaration, each member is obligated to pay the Association assessments which are secured by a continuing lien upon the property against which the assessment is made. Any Association fee which is not paid when due shall be delinquent. If the assessment is not paid within fifteen (15 days after the due date (which is the first of each month), the assessment shall be increased to include a penalty of thirty dollars (\$30.00) for each month the assessment is past due, and shall be due and payable at that time. The Board may increase this penalty by up to 25% per year. The same provisions as stated herein for late fees on Association fees shall apply for any special assessment duly voted by the Owners.

The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in like manner as a mortgage of real property. Upon exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of the annual assessment due and payable and collect the same through foreclosure. Penalties, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. In the event of any such foreclosure, the Owner shall be required to pay a reasonable rental for the Lot after commencement of the foreclosure action, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the

Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien.

The liens provided for herein shall be prior and superior to all other liens, except: (1) to the lien of any mortgage; and (2) the lien of any unpaid taxes in favor of any taxing unit. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Capital Contribution

The Capital Contribution shall be Five Hundred and No/100 (\$500.00) due when an Owner sells or transfers their lot, payable by the buyer or when required by the Board of Directors.

(a) The Board of Directors shall annually prepare a capital reserve budget to consider the number and nature of replaceable improvements, the expected life of each improvement, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the budget and assessment.

ARTICLE V ARCHITECTURAL CONTROL

No building, fence, wall or other structure, including roads and public utilities, shall be commenced, erected or maintained upon the Properties, nor shall any exterior additions to, or change or alteration therein, be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to, and approved in writing as to harmony of external design, interior size and location in relation to surrounding structures and topography by, the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. No change shall be made in the color, stain or painting of any structure or door thereof, balcony or deck thereunto attached, unless so approved.

The Board and/or ARB shall establish rules to approve all exterior furnishings as well as any window treatments visible from the exterior. The Board shall establish reasonable enforcement procedures. These procedures shall include payment by the Owner of reasonable attorney's fees.

ARTICLE VI PARTY WALLS

Section 1. General Rules of Law to Apply.

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

Section 2. Sharing of Repair and Maintenance.

The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty.

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

Section 4. Weatherproofing.

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

Section 5. Right to Contribute Runs with Land.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration.

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

ARTICLE VII EXTERIOR MAINTENANCE

In the event it is necessary to paint any exterior surfaces and there is rotten wood on sheds, additions, deck railings or fences upon any Lot not repaired by Owner, the Board will authorize the repairs to be done and, upon completion, the Owner will reimburse the Association within 30 days.

ARTICLE VIII USE RESTRICTIONS

Section 1. Land Use and Building Type.

No lot shall be used except for private residential purposes of a single family. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one single-family dwelling. No more than five (5) dwellings may be erected on one acre of land.

Section 2. Dwelling Specifications.

No dwelling shall be erected on any lot other than an attached dwelling consisting of no less than one thousand two hundred (1,200) square feet of heated space. No temporary structure shall be erected upon any lot.

Section 3. Nuisance.

No noxious, offensive, or illegal activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 4. Animals.

No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling, except that no more than three (3) household pets (including no more than two (2) dogs) may be kept or maintained, provided that they are not kept for commercial purposes, and provided, further, that they shall not constitute a nuisance or cause any unsanitary conditions. Dogs, cats and other household pets shall be permitted on the common area, subject to the rules and regulations of the Association, only if control of such pets is maintained by leashes. The occupant and owner of any household is required to dispose of his pet's waste other than on any Lot or in the Common Area. Any animal which, makes objectionable noise or, in the Board's judgment, constitutes a nuisance or inconvenience to the Occupants of other Lots, shall be removed by the owner upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet.

Section 5. Resubdivision.

No Lot shall be subdivided or reduced in size without the written consent of the Board of Directors of the Association.

Section 6. Outside Antennas.

No outside radio or television antennas or satellite dish shall be erected on the properties or dwelling unit within the Properties, unless and until permission of the same has been granted by the Board of Directors of the Association or its architectural control committee.

Section 7. Clothes Drying.

No drying or airing of any clothing or bedding shall be permitted outdoors on the Properties. All rubbish, trash and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate.

Section 8. Plants and Trees.

Plants and trees now or hereinafter located upon the Properties (except for plants and shrubs in patios and within fenced areas) shall be maintained by the Association and may not be removed except by permission of the Board of Directors. No additional plants, trees or shrubs may be planted upon the Properties without written approval of the Board of Directors. All shrubbery and plants must not be planted in a manner that damages any exterior surfaces of any dwelling unit.

Section 9. Outdoor Recreational Equipment.

No gym sets, sand boxes, basketball goals or other outdoor recreational equipment shall be installed or used upon the Properties, except in areas specifically provided for recreational purposes by the Board of Directors. The use of firearms within the Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns and other firearm of all types, regardless of size. Lastly, the use of fireworks within the Property is prohibited.

Section 10. Prohibited Work.

No Owner shall do any work which would jeopardize the soundness and safety of the Properties, reduce the value thereof or impair any easement or hereditament without, in every such case, unanimous consent of all other Owners affected being first obtained. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkept condition on his or her Lot. No Lot shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any Lot that will emit fowl or obnoxious odors or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any property adjacent to the Lot.

Section 11. Unsightly or Unkept Conditions.

The pursuit of hobbies or other activities, including specifically without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Property.

Section 12 Mailboxes.

Declarant, will construct a Centralized Mailbox Unit System for the benefit of all Owners and the Owner's Occupants. Each Owner shall be provided with one (1) mailbox unit and two (2) access keys. Only Owners and Occupants of Lots shall be authorized to access the mailbox unit assigned to the Owner. It shall be the Owners' responsibility maintain the mailbox keys and locks. If they become lost or damaged, any costs associated with the repair or replacement shall be the Owners' sole responsibility.

Section 13. Home Business

No Owner shall operate a business from their residence that requires customers coming

and going from the property.

ARTICLE IX EASEMENTS

Section 1. Reservation.

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat for use by the Association, utility companies and public agencies in connection with this development, including any portion of the property described on Exhibit I hereto attached. Within these easements no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. In addition, the Properties shall be subject to a non-exclusive easement in favor of the Association for construction of improvements on the Properties, including any added by annexation.

Section 2. Mutual Easements.

There shall be appurtenant to each lot a non-exclusive easement for the use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving the improvements thereon and situated upon any other lot. Each lot shall be subject to an easement in favor of other lots for use of all pipes, wires, cables, conduits, utility lines, flues and ducts situated on or across such lot and serving other lots.

Section 3. Encroachments.

If any portion of the Common Area or any improvements erected thereon now encroaches upon any Lot, or if any improvements on any lot now encroach on any portion of the Common Area, or if any such encroachment shall occur hereafter as a result of: (a) settling of any improvements; (b) repair, reconstruction or alteration by the Association of any improvements located within the Common Area; (c) repair or reconstruction of any dwelling unit following damage by fire or other casualty; or (d) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same.

ARTICLE X REPAIR, RESTORATION AND REBUILDING INSURANCE

Section 1. Insurance on Common Area. The Board of Directors or the duly authorized agent of the Association shall have the authority to, and shall obtain, insurance for all insurable improvements, whether or not located on the Common Area, which the Association is obligated to maintain. However, the Association shall not be responsible for insuring the individual residences, including the exterior. This insurance shall provide, at a minimum, fire and extended coverage, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or

destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

Section 2. Liability Insurance.

The Board shall obtain a general commercial liability policy applicable to the Common Area covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents. The public liability policy shall have a combined single limit of at least one million (\$1,000,000.00) dollars. If available, the Board is also authorized to obtain directors' and officers' liability insurance coverage.

Section 3.Insurance Coverage Through Declarant.

The Board is authorized to obtain the insurance coverage required hereunder through the Declarant and to reimburse Declarant for the cost thereof. The Board shall not be required to comply with the provisions of this Section if it has contracted for or otherwise arranged to obtain the required insurance coverage through the Declarant.

Section 4. Premiums.

Premiums for all insurance shall be common expenses of the Association. The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

Section 5. Insurance Required.

Each Owner shall maintain in full force at all times insurance covering the improvements erected upon his Lot, including the exterior of each residence, consisting of, or providing all the protections afforded by, the insurance now generally described as fire, extended coverage, additional extended coverage, vandalism and malicious mischief, to 100% of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation. All such insurance shall be issued by companies reasonably acceptable to the Association, shall name the Association as a co-loss payee and shall provide that all proceeds becoming payable on account of loss of or damage to such improvements shall be payable to or as directed by the Association and Owner, subject only to the rights, limited as herein provided, of any mortgages for value of the premises. The policies themselves or appropriate certificates showing the evidence of such insurance shall be furnished to the Association, (and new policies or certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association), in each case at least 10 days prior to the expiration date of the expiring insurance. The policies or certificates shall contain a provision that prior to cancellation, the Association shall receive at least 10 days written notice thereof. In the event a damaged or destroyed home shall not be repaired, restored, or rebuilt pursuant to a decision not to repair, restore or rebuild, as provided in Section 1, the proceeds of such insurance shall be payable to such Owner, or the mortgagee of his home as provided in Section 12.

- (a) Each Owner shall carry an Insurance Policy commonly referred to as a Townhome Policy. The Policy protections shall include protections to the adjoining properties which share common walls with the residence that had the initial loss.
- (b) Each Owner shall be responsible with carrying

Section 6. Association Not Liable.

The Association and its officers, directors, employees, agents and representatives shall have no liability to any Owner for damage or loss of either real or personal property of said Owner. Each insurer of any of said Owner's interest in said real or personal property shall be bound by the provisions of this Section 6 and shall, by appropriate provision in each policy of insurance concerned, waive its rights of subrogation against the Association and its officers, directors, employees, agents and representatives.

Section 7. Association's Right to Insurance.

The failure by any Owner to carry, maintain, or renew any insurance required by this Article X shall give the Association the right (but not the duty) to proceed to obtain such insurance or lesser coverage as it may deem advisable, and the cost thereof shall be due to the Association from the Owner of the Unit so insured forthwith upon demand, and such cost shall be collectible in the same manner as assessments.

Section 8. Blanket Coverage.

In the event that the Association finds it possible, from time to time, to effect broader or better coverage without increase in aggregate cost, or equivalent coverage at lesser cost, by the obtaining of a blanket policy or policies of insurance upon all the Units in the Properties, the Association shall have and is hereby granted power so to do upon the approval of its Board of Directors, subject to the consent of the various first mortgage holders on the Units; and each Owner shall accept and pay a proportionate share of the cost of such insurance, whether by regular assessment or otherwise, in lieu of providing and paying for the individual policies of insurance hereinabove provided for. Such blanket coverage, unless agreed to by the Board of Directors, shall not include coverage for any additions/improvement upon a Lot by any Owner; the Owner shall maintain that coverage.

Section 9. Damage and Destruction -- Insured by Owners.

The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within seventy-five (75) days after such damage or destruction or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be prosecuted diligently and completed within a reasonable time thereafter. In the event of noncompliance with this provision, the Board shall have all enforcement powers specified in this Declaration.

Section 10. Insurance Insufficient.

In any case in which insurance proceeds shall not be paid or payable on account of any damage to, or destruction of, any home, or shall be inadequate to fully cover the cost of repair, restoration or rebuilding which the Association is by the provisions of this Article X permitted to carry out, the cost of such repair, restoration or rebuilding in excess of the amount of insurance proceeds available may be borne and paid for by the Association, but without diminishing or in any way affecting any rights of recovery thereof which the Association may have by law against any person or persons who shall be directly or indirectly responsible for such damage or destruction by reason of any negligent or wrongful act or omission or against any Owner for his failure to maintain insurance coverage in accordance with Section 7.

Section 11. Obligation of Association.

Notwithstanding anything to the contrary herein contained, the obligations of the Association under the provisions of this Article X shall be limited to the repair, restoration and rebuilding of the Common Area and the Association shall not be responsible for repair, restoration or replacement of any personal property of the Owners or others, and shall not be obligated to insure the exterior of the residence.

Section 12. Additional Insurance.

The Association may, but shall not be required to, obtain and maintain additional insurance as its Board of Directors shall from time to time deem prudent with respect to damage to or destruction of improvements located upon the Common Area, or to or of any or all of the homes, from any cause not covered by the insurance hereinabove described, and may also obtain such other kinds of insurance protection against such other matters or happenings as its Board of Directors shall from time to time deem prudent.

Section 13. Use of Proceeds.

Notwithstanding the foregoing, to the extent required by the terms of any mortgage for value of any part of the Properties, the proceeds of any insurance becoming payable on account of any loss of, or damage to, the part of the Properties so mortgaged shall be paid first to such mortgagee to the extent of its interest; provided, however, that such mortgagee shall cause or permit all such proceeds received by it to be applied upon the cost of repair, restoration or rebuilding of such loss or damage; and shall not apply or seek to apply such proceeds to reduce such mortgage, except for any excess of such proceeds over the full cost of such repair or restoration, unless it shall be determined in accordance with the provisions of this Declaration that such loss or damage is not to be required or restored.

Section 14. Lien Rights of Association.

In any case in which the Owner or Owners of the home concerned shall fail to carry out and see to the repair, restoration or rebuilding required by the provisions of this Article X, or shall request the Association to carry out and see to such repair, restoration or rebuilding, and, in any case, where more than one contiguous home shall be involved, the Association shall carry out and see to the repair, restoration or

rebuilding required by the provisions of this Article X, provided, however, that to the extent the insurance proceeds referred to in Section 5 are insufficient as to any home, the particular Owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby given, a continuing lien on the Lot for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of: (a) the cost thereof; (b) interest at the highest rate permitted by law, but not exceeding fifteen (15%) percent per annum nor less than eight (8%) percent per annum from the date of the Association's payment of such costs; and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall encumber such Lot in the hands of such Owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such Owner does not forthwith fully repay the Association therefor, as aforesaid, such lien may be foreclosed against the Lot by the Association, in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien in this Section 4 provided shall be subordinate to the lien of any mortgage, now or hereafter placed upon the Lot.

ARTICLE XI TENANT - HOMEOWNER RELATIONSHIPS

Section 1. Obligation of Tenant. All residences leased, including short-term leases, by Owners to tenants shall be subject to the provisions hereof and to the provisions of the By-Laws. All Owners shall make tenants aware in their leasing agreement that the tenant is subject to these documents and that any violation thereof will be subject to fine. Owner is responsible for all insurance coverage required by this Declaration, whether paid for by him or his tenant.

Section 2. Enforcement.

If a tenant fails to obey the restrictions as outlined in Section 1, he is deemed to be in violation of the Rules and Regulations of the Association. In that event both the tenant and the Owner will be advised by a certified letter that such violation has been noted and that the Association requests a cessation of all activities that create the violation on the part of the tenant. If after a fifteen- (15-) day period, commencing when notice was given, the violation persists, the Owner will be assessed at a rate of seventy-five dollars (\$75.00) per day commencing at the end of the fifteenth (15th) day, until such violation is corrected. The assessment for violations may be increased by the Board by up to 25% per year.

Section 3. Nonpayment of Violation Assessment.

Any violation payment not paid by the Owner after proper notice by the Association will become an obligation of the Owner. The Association may bring an action at law against the Owner who will be personally obligated to pay the obligation, or the Association may foreclose the lien against the property in like manner as a mortgage of real property. Upon exercise of its right to foreclose, the Association may collect the same through foreclosure. All costs and reasonable attorney's fees of such action or foreclosure shall

be added to such penalty and shall become the obligation of the Owner. In the event of such foreclosure, the Owner shall be required to pay a reasonable rental for the Lot after commencement of the foreclosure action, and the Association in such foreclosure shall be entitled to the appointment of a receiver to collect the same. No Owner may waive or otherwise escape liability for the penalty provided herein by non-use of the Common Area or abandonment of his Lot.

Section 4. Continued Violation by Tenant.

If, after notification has been given to the Tenant and the Homeowner, and both Tenant and Owner have corrected the violation, if the violation occurs again after the notification period, the Association will penalize the Owner seventy-five dollars (\$75.00) a day until the Tenant vacates the premises. This assessment for violations may be increased by the Board by up to 25% per year.

Section 5. Obligation of Owner. All Owners shall provide Tenants with copies of this Declaration of Covenants, Conditions and Restrictions and the By-Laws. There shall be no exception and it shall be no defense in the enforcement proceedings that the Tenant is not aware of the Covenants of the Association. The Owner shall make the Tenant aware that if he violates any of the Covenants of the Association that he is thereby in violation of his lease and shall immediately vacate the premises without further action in court since his actions constitute a violation of the Covenants of the Association and jeopardize the well-being and enjoyment of the premises.

Section 6. Limitations of Rentals.

Recognizing that certain limitations upon rentals may be necessary for FHA loans, the Association may impose reasonable regulations on the number of units that can be tenant-occupied at any one time so long as the regulations do not violate the laws of South Carolina.

ARTICLE XII ANNEXATION

Section 1. Reservation of Right to Expand. Declarant reserves the right, but shall not be obligated, to expand the effect of this Declaration to include all or part of the Expansion Property. Declarant shall have the unilateral right to transfer to any other person this right to expand by an instrument duly recorded. Declarant shall pay all taxes and other governmental assessments relating to the Expansion Property until expansion.

Section 2. Declaration of Annexation. Such expansion may be accomplished by recording a Declaration of Annexation in the R.OD. Office for Richland County, South Carolina, describing the real property to be annexed to the Property submitted it to the Covenants, Conditions, and Restrictions contained in this Declaration, designating it as a project, if the expansion property parcel in that instance does in fact constitute a Project; and providing for voting rights and Assessment allocations as provided in this Declaration. Such Declaration of Annexation shall not require the consent of the

Owners. Any such expansion shall be effective upon the filing for record of such Declaration of Annexation, unless otherwise provided therein. The expansion may be accomplished in stages by successive supplements or in one supplemental expansion. Upon the recordation of any such Declaration of Annexation, the definitions used in this Declaration shall be expanded automatically to encompass and refer to Property as expanded. Such Declaration of Annexation may add, delete or modify provisions of this Declaration as it applies to the Expansion Property added. However, this Declaration may not be modified with respect to that portion of the Property already subject to this Declaration, except as provided below for amendment.

ARTICLE XIII GENERAL PROVISIONS

Section 1. Application.

All Owners, employees of Owners and tenants, or any other persons who may in any manner use the Properties or any portion thereof shall be subject to the provisions hereof and to the provisions of the By-Laws.

Section 2. Enforcement.

The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. The Association shall be entitled to costs and reasonable attorney's fees to enforce these Covenants. Such attorney's fees and costs shall be a lien on the Owner's property. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability.

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

Section 4. Amendment.

The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument approved by not less than seventy-five (75%) of the Owners as evidenced by certification of the Association.

Section 5. Waiver.

No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 6. Gender and Number.

All pronouns used herein shall be deemed to include the masculine, the feminine and non-personal entities, as well as the singular and plural wherever the context requires

or permits.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal.

Date: <u>6/7/3031</u>

Signed, Sealed and Delivered

in the Presence of:

Its: Member

STATE OF SOUTH CAROLINA

COUNTY OF Richland

ACKNOWLEDGMENT S.C. §30-5-30 (EFFECTIVE JANUARY 1, 1995)

I, a Notary Public for South Carolina, do hereby certify that Donald Weaver, as member of Azelec Piece Development personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

(L.S.) Notary Public

My Commission Expires: 7/31/2036

Instrument Number: 2021038979 Book/Page: R 2630/3604 Date Time: 06/16/2021 14:10:38:833

EXHIBIT A

All those certain pieces, parcels or lots of land, together with any improvements thereon, situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, being shown and designated as Azalea Place on a Plat entitled "Final Subdivision Plat Prepared for Azalea Place Development, LLC" dated 11/3/2020 and recorded 6/3/2021 in the Register of Deeds Office for Richland County in Book 2625 at Page 191. Reference being made to said plat for a more complete and accurate description thereof.