

FILED-RECORDED
RMC / ROD

2006 JUN -2 PM 3:55

MARGARET L. BAILEY
DORCHESTER COUNTY, SC

54.00

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
HIDDEN HILLS HOMEOWNERS ASSOCIATION, INC.**

This DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS (the "Declaration") is made and entered into this 1st day of June, 2006, by F and S, LLC, a South Carolina limited liability company (hereinafter referred to as the "Declarant") for the benefit of itself and its successors and assigns.

RECITALS:

WHEREAS, Declarant is the owner of certain real property located in Dorchester County, South Carolina, more specifically described on EXHIBIT A attached hereto, which is to be developed as a single family residential development known as Hidden Hills (hereinafter the "Development") and which has been subdivided into thirty-one (31) Lots (as this term is hereinafter defined) as shown on that certain Subdivision Plat recorded in the Office of the Register of Deeds for Dorchester County, in Plat Book L at Page 8, on April 28, 2006; and

WHEREAS, Declarant now desires to foster the attractiveness of the Development, to prevent future impairment thereof, to preserve, protect and enhance the values and amenities of the Development, and to provide for the maintenance and upkeep of all common areas in the Development.

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

**Article I
Definitions**

In addition to any other terms defined in this Declaration, the following terms shall have the following meanings when used herein:

1. "Association" means the Hidden Hills Homeowners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

2. "By-Laws" means the By-Laws duly adopted by the Association which govern the administration and operation of the Association, as may be amended from time to time. A copy of the By-Laws is attached as EXHIBIT C.

McNair Law Firm
PO Box 1431
Charleston, SC 29402

3. "Common Area" means all real property (including improvements and fixtures thereon or attached thereto), and other property, real, personal, or mixed, which from time to time may be designated by Declarant for the common use and enjoyment of the Owners or conveyed to the Association in fee simple; together with all rights-of-way, easements, appurtenant, improvements and hereditaments described in this Declaration or designated as Common Area on any recorded plats of the Development, including but not limited to landscape easements, utility easements, and those certain sewer and drainage easements and appurtenances as shown on that certain plat recorded in Plat Book L at Page 3, in the Office of the Register of Deeds for Dorchester County, South Carolina ("Register of Deeds"), and on the Phase II Plats (as these terms are hereinafter defined), all of which shall be and are covenants running with the land at law.

4. "Declarant" means and refers to F and S, LLC, a South Carolina limited liability company, and its successors and assigns in interest, and shall also mean and refer to any person, firm, or corporation hereafter vested, at any given time, with title to two or more undeveloped Lots for the purpose of causing residences and appurtenant buildings to be constructed thereon, and any such successor in title to F and S, LLC, shall be a Declarant during such period of time as such successor is vested with title to two or more such lots (whether undeveloped or developed by such successor but not conveyed from such successor), but no longer.

5. "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements, as the same may be amended, renewed or extended from time to time in the manner herein prescribed.

6. "Development" means Hidden Hills, a single-family residential development proposed to be developed by the Declarant on the Property.

7. "Hunting Property" means the approximately three hundred (300) or so acres owned by the Declarant, which is located west of the Additional Property.

8. "Lot" means any numbered plot of land and improvements thereon, with delineated boundary lines intended for single-family residential use, appearing on the Plats, and expressly excluding Common Areas and roads and streets shown on the Plats.

9. "Member" means every person or legal entity that holds membership in the Association.

10. "Mortgage" means any mortgage constituting a lien on a Lot.

11. "Mortgagee" means the owner and holder of a Mortgage at the time such term is being applied.

12. "Owner" means the record owner, whether one or more persons or legal entities, of the fee simple title to any Lot, including Declarant if it owns any Lot, and contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

13. "Plat" or "Plats" means one or more plats of the Development recorded in the Office of the Register of Deeds, including but not limited to that certain plat entitled: "HIDDEN HILLS AT SUMMERVILLE COUNTRY ESTATES FINAL SUBDIVISION PLAT OF PHASE II - BLOCKS 'B' & 'D' LOCATED IN DORCHESTER COUNTY, SOUTH CAROLINA" as prepared by Cornerstone Surveying & Engineering, Inc., dated April 24, 2006, and recorded April 28, 2006, in Plat Cabinet L-8, Sheets 1 - 3, in the ROD Office for Dorchester County, South Carolina, and any plat of the Property constituting additional Properties (if they are annexed pursuant to Article II hereof) which may be recorded by Declarant in the Office of the Register of Deeds hereafter.

14. "Phase II Property" means that portion of the Property with Lots, Common Areas, streets and roads, all as more particularly shown on the Phase II Plat.

15. "Property" means the Phase II Property together with such other additional real estate which may hereafter be made subject to this Declaration pursuant to Article II of this Declaration and brought within the jurisdiction of the Association as provided herein.

Article II

Property Subject to This Declaration and The Jurisdiction of The Hidden Hills Homeowners Association, Inc.

1. Phase II Property. The Lots comprising the Phase II Property are and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, and shall be within the jurisdiction of the Association as set forth in this Declaration.

2. Phase III Property. The Declarant is the owner of certain real property, known as Phase III, and located in Dorchester County, South Carolina and more specifically described on EXHIBIT B attached hereto (the "Additional Property"), which such Additional Property or any part thereof may be brought under and made subject to the terms and conditions of this Declaration and be made part of the Property and brought within and made subject to the jurisdiction of the Association in future stages of development, without the consent of Owners, the Association or its Members, provided that such additions occur within ten (10) years after the date of the recording of this Declaration in the Office of the Register of Deeds.

The Additional Property shall be made subject to this Declaration and the jurisdiction of the Association by recording one or more Amendments to this Declaration and associated Plats with respect to such Additional Property filed in the Office of the Register of Deeds, which shall extend the terms and conditions of this Declaration and the jurisdiction of the Association to such Additional Property and thereby subject such additions to the benefits, agreements, restrictions, covenants and obligations set forth herein, including, but not limited to, assessments as determined in accordance herewith.

The obligation for Owners of Lots in any portion of the Additional Property to pay the assessments described in Article V hereof shall commence upon the filing of the Amendment to this Declaration concerning such Additional Property. The Owners of such Lots shall have the same voting rights as the Owners of Lots in the Phase II Property, and such voting rights shall

commence as of the date of the filing of the Amendment to this Declaration concerning such Additional Property.

3. Adjacent Property. The Declarant is currently considering purchasing certain real property which is adjacent to the Phase II Property and/or the Additional Property that is located in Dorchester County, South Carolina (the "Adjacent Property"). Such Adjacent Property or any part thereof, whether owned by the Declarant or an unrelated party, may be brought under and made subject to the terms and conditions of this Declaration, if approved by the Declarant and signed by the owner of such Adjacent Property, and be made part of the Property and brought within and made subject to the jurisdiction of the Association in future stages of development, without the consent of Owners, the Association or its Members, provided that such additions occur within ten (10) years after the date of the recording of this Declaration in the Office of the Register of Deeds.

The Adjacent Property shall be made subject to this Declaration and the jurisdiction of the Association by recording one or more Amendments to this Declaration and associated Plats with respect to such Adjacent Property filed in the Office of the Register of Deeds, which shall extend the terms and conditions of this Declaration and the jurisdiction of the Association to such Adjacent Property and thereby subject such additions to the benefits, agreements, restrictions, covenants and obligations set forth herein, including, but not limited to, assessments as determined in accordance herewith.

The obligation for Owners of Lots in any portion of the Adjacent Property to pay the assessments described in Article V hereof shall commence upon the filing of the Amendment to this Declaration concerning such Adjacent Property. The Owners of such Lots shall have the same voting rights as the Owners of Lots in the Phase II Property and the Additional Property and such voting rights shall commence as of the date of the filing of the Amendment to this Declaration concerning such Adjacent Property.

Article III Property Rights

1. Ownership of Common Areas. At such point in time as Declarant, in its sole discretion, deems appropriate, but in no event later than when Declarant ceases to own at least one Lot shown on any Plat of the Property, Declarant shall convey the Common Areas shown on any Plat of the Property to the Association subject to all rights-of-way, easements, management agreements and the like of record, unless the same has otherwise been conveyed in whole or in part as hereinafter provided. Notwithstanding the recordation of any Plat or any other action by Declarant or the Association, all Common Areas shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public unless the Declarant, or the Association after conveyance to the Association, shall choose to convey or dedicate all or a portion of the Common Areas or interests therein, including without limitation, easements, to a public body or governmental entity or agency or to a private, non-profit entity for the purpose of creating a park or greenway. The Association shall not thereafter convey or mortgage any part of the Common Areas without the prior consent of those Owners owning at least sixty-seven (67%) of the Class A Lots. All roads located within the Property are private roads that are owned by the Association.

2. Owners' Rights to Use and Enjoy the Common Areas. Each Owner shall have the nonexclusive, non-severable easement and right to use and enjoy the Common Areas, which easement and right shall be appurtenant to and run with the title to each Lot and shall pass with the title thereto, subject to the following:

(a) the right of the Association to promulgate and enforce reasonable rules and regulations governing the use of the Common Areas to insure the safety, enjoyment and rights of all Owners therein;

(b) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas;

(c) the right of the Association to suspend the voting rights with respect to such Lot in the Association and the right of the Association to suspend the right to use the Common Areas by an Owner for any period during which any assessment against the Owner's Lot remains unpaid; and further to suspend such right to use the Common Areas for a period not to exceed sixty (60) days for any infraction of this Declaration, the Association By-Laws, or its published rules and regulations;

(d) the right of the Declarant or the Association to grant utility, drainage, sewer, and such other easements of the types and for the purposes set forth in Article VII across the Common Areas or to make dedications or conveyances as set forth in Section 1 above;

(e) the right of the Declarant or the Board of Directors to grant an easement over the Common Areas private roads located on the Property for the benefit of the Declarant to access its Hunting Property, subject to the payment to the Association of reasonable fees, as determined by the Declarant, for access to the Hunting Property and use of the Common Areas private roads; and

(f) the obligation of each Owner to pay assessments as set forth in this Declaration.

3. Owners' Easements for Ingress and Egress. Every Lot shall have as a part thereof a perpetual, non-exclusive right to use any cul-de-sac or roadway, if any, which may be constructed by the Declarant and conveyed to the Association as part of the Common Area for the purpose of providing access to and from each Lot, and said perpetual, non-exclusive right shall be an easement running with the land and pass with the title to each Lot. Culs-de-sac and roadways set forth as temporary easements on any Plats of the Property shall not be deemed to have granted perpetual, non-exclusive rights of use to Owners but shall be subject to removal upon opening of any road extensions adjacent thereto by Declarant.

4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Association, such Owner's right of enjoyment to the Common Areas and facilities thereon to the members of such Owner's family, guests, tenants, or contract purchasers who reside permanently or temporarily in the residential dwelling on such Owner's Lot so long as such Owner is not in default of payment of assessments or in violation of any terms of this Declaration.

Article IV
The Association

1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot.

2. Voting Rights and Classes of Lots. The voting rights of the Membership shall be appurtenant to the ownership of Lots. 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 this term is defined below). Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person or legal entity owns an interest (other than leasehold or security interest) in any Lot, all such persons or legal entities shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by the Declarant which have not been conveyed to purchasers who are not affiliated with Declarant. The Declarant shall be entitled to nine (9) votes for each Class B Lot owned by it. The Class B Lots shall be converted to Class A Lots on the happening of either of the following events, whichever occurs earlier: (i) when the total votes outstanding in the Class A Lots equals the total votes outstanding in the Class B Lots; or (ii) on June 1, 2009.

3. Availability of Document. The Association shall maintain current copies of the Declaration, the By-Laws, and rules and regulations, concerning the Development as well as its own books, records, and financial statements available for inspection by all Owners, Mortgagees and insurers and guarantors of Mortgages that are secured by Lots. All such documents shall be available upon reasonable notice and during normal business hours. In addition, any Mortgagee may, at its own expense, have an audited statement prepared with respect to the finances of the Association.

4. Management Contracts. The Association is authorized and empowered to engage the services of any person, firm, or corporation to act as managing agent of the Development at a compensation to be established by the Board of Directors and to perform all of the powers and duties of the Association; provided, however, that the term of any such agreement with a managing agent shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one (1) year terms. Any such contract shall be terminable by the Association with or without cause upon ninety (90) days prior written notice to the manager without payment of a termination fee.

5. Maintenance. The Common Areas and certain features thereof that are deemed common amenities and facilities, being of benefit to all Lots, shall be maintained exclusively by the Association. Said common amenities may include, without limitation, entrance walls,

signage, lighting, landscaping, hardscaping and landscape furniture, a swimming pool, pool house, clubhouse or cabana, parks and greenways, playgrounds, private roads, streets and sidewalks, common walks, signs, picnic areas, irrigation systems and storm water and drainage easements located within the Common Areas. (The common amenities shall be provided at Declarant's sole and absolute discretion and Declarant is under no obligation to provide any of the amenities listed above.) The Association shall also maintain all utilities and all storm and drainage easements and appurtenances, equipment and facilities related thereto located within the Common Areas, together with common amenities not maintained by public entities or utilities. The Association shall not be responsible for the maintenance of any Lots or the improvements within the boundaries thereof. The Owner shall be responsible for the same.

6. Working Capital Fund. The Association shall establish a working capital fund equal to the aggregate of six (6) months of annual assessments (as described in Article V hereof) for each Lot. Each Lot's share of said working capital fund shall be collected from the purchaser and transferred to the Association at the time of the closing of the initial sale of each Lot from the Declarant to a third party. The working capital fund shall be maintained in a separate account for the use and benefit of the Association and shall be used to meet unforeseen expenditures or to acquire furniture, equipment, or services deemed necessary or desirable by the Board of Directors of the Association. All sums paid unto the working capital fund are in addition to and not in lieu of regular assessments for common expenses.

7. Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of all Common Areas, which shall include but not be limited to all private roads located within the Property, and all improvements thereon, which the Association is obligated to maintain. Such reserve fund shall be funded from the annual assessments described in Article V of this Declaration.

Article V

Covenant for Assessments

1. Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned within the Property, hereby covenants and causes by this Declaration to impose upon each such Lot, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association, annual assessments or charges and special assessments for working capital and reserve funds for capital improvements, permitted in this Declaration, and established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorney's fees, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made and shall be enforced as a lien in the same manner as a mortgage on the Lots, including foreclosure as a remedy. Each such assessment or charge, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

2. Purpose of Annual Assessments. The annual assessments levied by the Association shall be used as follows:

- (a) To maintain all of the private roads located within the Property;
- (b) to maintain in a good and attractive condition the landscaping, including, without limitation, the mowing of lawns, planting and maintenance of shrubs, flowers and other plants, and watering on and within the boundaries of the Common Areas;
- (c) to maintain the parks and greenways, if any, in the Common Areas and sidewalks or other common walks, common signage and development statement pieces or entrance ways (including any walls erected at said entrance ways);
- (d) to construct, maintain, repair and replace any and all lighting, drainage pipes, inlets, basins, ditches, swales, berms, rip rap, landscaping, vegetative cover, passive and active storm water detention, wetlands, and other facilities, equipment, and improvements installed upon, above, or under the Common Areas;
- (e) to construct, maintain, repair and replace all trails or paths, if any, in the Common Areas as a common amenity in a reasonably passable condition, free from falling trees, undergrowth, and other obstructions; and to keep all dead, diseased or decaying trees, shrubs and bushes removed from such areas and to replace such items with new trees, shrubs and bushes;
- (f) to construct, maintain, repair and replace all recreational and related facilities, if any (such as a swimming pool and clubhouse or cabana, playground equipment, and picnic tables), located within the Common Areas as a common amenity; provided, that, the reference to said facilities herein shall not be construed to require said facilities to be constructed or installed in the Common Areas or elsewhere on the Properties;
- (g) to maintain any improvements required by any County, State, or federal agency to be installed and maintained upon, under, or over the Common Areas;
- (h) to keep all Common Areas clean and free from debris and to maintain same in a clean and orderly condition, and to maintain the landscaping therein, including any necessary removal and replacement of landscaping;
- (i) to provide such security services as may be deemed reasonably necessary for the protection of the Common Areas, and any recreational and related facilities, if any, located within the Common Areas, from theft, vandalism, fire and damage from animals;
- (j) to pay all ad valorem taxes levied against the Common Areas and any property owned by the Association;
- (k) to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the By-Laws;

(l) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the By-Laws;

(m) to maintain a reserve fund as provided in Article IV, Section 7, of this Declaration; and

(n) to maintain a contingency reserve equal to 10% of the sum of the amounts described in the above subsections (a) through (l) of this Section 2 in order to fund unanticipated expenses of the Association.

3. Maximum Annual Assessment. Until January 1 of the calendar year following the conveyance of the first Lot by Declarant to another Owner, the maximum annual assessment shall be Three Hundred Fifty Dollars (\$350.00) per Lot.

(a) The maximum annual assessments established above may be increased, effective January 1 of each calendar year following the conveyance of the first Lot by Declarant to another Owner, without a vote of the membership of the Association by an amount not to exceed the greater of (1) ten percent (10%) per year over the previous year; or (2) the percentage increase, if any, in the Consumer Price Index (published by the United States Department of Labor, Washington, DC) for all cities over the immediately preceding twelve (12) month period which ended on the previous October 31. If the annual assessment is not increased by the maximum amount permitted under the terms of this Section, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the assessment may be increased by that amount within the next three future years at the election of all members of the Board of Directors of the Association without a vote of the membership, in addition to the maximum increase permitted under the terms of the preceding sentence.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, said maximum annual assessments may be increased without limitation if such increase is approved by Members entitled to no less than sixty-seven (67%) of all of the votes (appurtenant to each class of Lots) to which all Members are entitled. Such voting may be represented in person or by proxy at a meeting duly called for such purpose. The meeting shall occur no earlier than ten (10) days after the date of mailing by first class mail or delivery. The notice shall state generally the purpose and amount of the proposed assessment. Owners may be represented at such meetings by written proxy, which proxy may be held by any person.

(c) The Board of Directors may fix the annual assessments at amounts not in excess of the maximum. If the Board of Directors shall levy less than the maximum annual assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Board may, by majority vote, levy a supplemental assessment. In no event shall the sum of the initial and supplemental assessments for that annual period exceed the applicable maximum annual assessment permitted under Subsection 3(a) of this Article.

4. Special Assessments for Capital Improvements. In addition to the annual and supplemental annual assessments authorized in Section 3 above, the Board of Directors of the Association may levy one or more special assessments that cumulatively do not exceed Five Hundred (\$500.00) Dollars per Lot during any fiscal year 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 Common Area, including fixtures and personal property related thereto. Any other special assessments require the same approval of the members as provided in Section 3 (b) of this Article.

5. Assessment Rate. Both annual and special assessments must be fixed at an equal amount for all Lots.

6. Transfer Fee Assessment. Excluding the first sale of each Lot from the Declarant to an Owner, but including all subsequent sales of all Lots, there shall be assessed by the Association and collected from every subsequent purchaser of each Lot a transfer fee equal to the annual assessment (as described in Article V hereof) for each Lot. This transfer fee shall be paid to the Association and used by the Association for its regular operations and/or reserves. In the event of non-payment of such transfer fee, the amount due shall bear interest and shall be collected as a special assessment pertaining to that Lot only. The Association may require the purchasing and/or selling Owner to provide reasonable written proof of the closing statement, contract of sale, copies of deed, or other such evidence. If such special assessment is not paid, the Association shall have all rights to enforce the collection of the assessment with the same rights as it has for collecting other assessments including interest, attorneys' fees and costs. The fee shall be separate from the annual and special assessments due from each Lot Owner.

7. Notice and Quorum for Any Action Authorized Under Article V. Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At such meeting the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes of the membership shall constitute a quorum: If the required quorum is not present, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the date set for the preceding meeting.

8. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Lot upon the filing of this Declaration (or the filing of an Amendment to this Declaration if relating to the Additional Properties) in the Office of the Register of Deeds. The first annual assessment shall be adjusted and prorated according to the number of months remaining in the annual accounting period for the Association. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be subject to an additional charge of five percent (5%) of the assessment due and shall bear interest beginning thirty (30) days after the due date at the rate of twelve (12%) percent per annum. Assessments shall constitute a lien against the Lots. The Association may bring an action at law against the delinquent Owner or foreclose the lien against the Lot in the same manner as tile foreclosure of a mortgage, and interest, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of the assessment due and owing. No Owner may waive or otherwise escape liability for the assessments provided for herein by not using the Common Areas or by abandoning Owner's Lot.

10. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any mortgage on a Lot or any mortgage of Declarant. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure, shall extinguish the lien of such assessments against such Lot as to payments which became due prior to such sale or transfer pursuant to mortgage foreclosure. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any mortgage as provided in this Declaration. No mortgagees shall be required to collect assessments hereunder and a failure to pay assessments hereunder shall not constitute a default under any applicable mortgage on a Lot.

Article VI Architectural Control

1. Plan of Design Approval; Fines for Failure to File; Lien. No improvements (including repairs, replacements, paint, siding, trim, doors, windows, fences, or ornamentation or residences and all other structures, outbuildings, yards and landscaping (hereinafter collectively referred to as "Design Details")) shall be undertaken upon any Lot, except by Declarant or, unless the plans and specifications and a site plan showing the location of the proposed improvements on the Lot shall have been submitted to the Architectural Committee established in Section 2 of this Article and expressly approved by the same in writing. The terms of this Article VI shall also not apply to the initial construction of improvements on a Lot by Declarant. The plans should also indicate the location of all existing trees in excess of six (6) inches in diameter (such measurement to be taken four and one-half (4-1/2) feet above grade) and the corresponding "drip line" of such trees, which encroach on any proposed driveway, building pad for a house or other permitted building that will be located on a Lot. No subsequent alteration or modification of any existing improvements or construction, erection or installation of additional improvements may be undertaken or allowed to remain on any of the Lots without the review and express written approval of the Architectural Committee, subject to Section 5 below.

Failure to submit plans or commencing construction without the prior written approval of the Architectural Committee (as required herein) shall be grounds for the Board of Directors to: (i) levy a fine against such Owner; (ii) require the Owner to remove all improvements or construction; or (iii) require the Owner to comply with such recommendations of the

Architectural Committee. Any fine shall be a lien against the Lot enforceable as a mortgage upon the filing of such lien as provided herein. Such lien shall be subordinate to the lien of any mortgage of record against such Lot

2. Architectural Committee. The Board of Directors of the Association shall designate the number of and appoint the members of the Architectural Committee on an annual basis. In the event of the death, removal, or resignation of any member of the Architectural Committee, the Board of Directors shall appoint a successor member to complete the term of the member who died, resigned, or was removed. Members of the Architectural Committee may be removed and replaced at any time with or without cause, and without prior notice, by the Board of Directors.

3. Procedures. The Architectural Committee shall review a plans and specifications submitted pursuant to Section 1 above as to:

(a) quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design, and direction of facing of main elevation with respect to nearby streets, and nature and appropriateness within the Development of all Design Details;

(b) conformity and harmony of all Design Details and the exterior design, color, type and appearance of exterior surfaces or residences, all fences, structures and ornamentation;

(c) location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots, Common Areas, and any improvements situated thereon and drainage arrangement; and

(d) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Architectural Committee, or matters in which the Architectural Committee has been vested with the authority to render a final interpretation and decision.

The Architectural Committee is authorized to request the submission of samples of proposed construction materials. Any modification or change to the Architectural Committee approved set of plans, specifications, site plan, and materials must again be submitted to the Architectural Committee for its inspection and approval or disapproval. The Architectural Committee's approval or disapproval shall be in writing. If the Architectural Committee approves the plans, specifications and site plan for the proposed improvements, the construction of such improvements must be promptly commenced and diligently pursued to completion and if such construction is not commenced within the time set therefor by the Architectural Committee in the written approval (but in no event later than two (2) years after such approval), such approval shall be deemed rescinded and, before construction of improvements can thereafter be commenced on the subject Lot, the plans, specifications and site plan therefor must be again approved by the Architectural Committee pursuant to this Article.

4. Lien for Fines; Enforcement; Easement of Access for Enforcement; Remedy of Foreclosure. The Board of Directors of the Association, with or without the recommendation of

the Architectural Committee, shall have the specific, nonexclusive right (but no obligation) to enforce the provisions contained in this Article and to prevent any violation of the provisions contained in this Article by a fine in such amount as determined by the Board of Directors levied against the Owner of a Lot who violates or attempts to violate any such provisions contained herein by filing any such fine as a lien against such Lot in the public records of Dorchester County and enforcing payment of any such fine by an action in foreclosure against such Lot, including attorney's fees and costs of enforcement, as well as any other proceeding at law or in equity against the Owner of the Lot who violates or attempts to violate any such provisions contained herein. The Association shall have an easement and right of access over, upon and across the Lots in the Subdivision for purposes of enforcing the provisions of this Article and Article VIII concerning maintenance of Lots.

5. Effect of Failure to Approve or Disapprove. If the Architectural Committee fails to approve or disapprove the design of any proposed improvements within thirty (30) days after plans, specifications, and site plan therefor have been received by the Architectural Committee, then an Owner can file a written appeal with the Board of Directors of the Association requesting them to approve or disapprove such design. If the Board of Directors does not approve or disapprove of the design within sixty (60) days of receipt of the written appeal, then approval will not be required, and the requirements of this Article shall be deemed to have been fully satisfied; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Architectural Committee or the Board of Directors if they contain erroneous data or present inadequate information upon which the Architectural Committee or the Board of Directors can arrive at a decision. Notwithstanding the foregoing, the Architectural Committee or the Board of Directors shall have no right or power, either by action or failure to act, to waive or grant any variance relating to any mandatory requirements specified in the Declaration.

6. Right of Inspection. The Architectural Committee shall have the right, at its election, to enter upon any of the Lots during preparation, construction, erection, or installation of any improvements thereon to determine that such work is being performed in conformity with the approved plans and specifications.

7. Limitation of Liability. Neither the Architectural Committee, the members thereof, the Board of Directors of the Association, Association Members, nor the Declarant shall be liable in damages or otherwise to any Owner or anyone submitting plans, specifications, site plans and other submittals pursuant to this Article VI, or to any third party, member of the Association, or Owner of any other Lot with respect to the review, approval, disapproval, failure to review or failure to approve or disapprove any plans, specifications, site plans or other submittals pursuant to this Article VI, or with respect to any claims of mistake of judgment, negligence or nonfeasance arising out of or related to this Article VI.

8. Compensation. No member of the Architectural Committee shall be entitled to compensation arising out of services performed pursuant to this Article.

Article VII
Easements Reserved By Declarant

Lots and the Common Areas shall be subject to those easements and rights-of-way, if any, as shown on the recorded Plats of the Property.

1. Perpetual Easements. In addition thereto and in lieu thereof, Declarant reserves the following perpetual easements:

(a) a ten (10) foot easement along each side and rear Lot line of each Lot (i) for the erection, installation, construction, repair, replacement, and maintenance of wires, lines, conduits, pipes, and poles, appurtenances, appliances, equipment and the like in connection with the transmission and distribution of electricity, telephone, cable television, and other utilities; and (ii) for the erection, installation, construction, and maintenance of storm water, drainage facilities, land drains, pumping and lift stations, open drainage ditches, public and private sewers, pipelines for supplying natural gas, water, and the like utilities and wires, lines, conduits, pipes, appurtenances, appliances, equipment and the like in connection therewith, and for, any other public or quasi-public facility, service or function;

(b) a fifteen (15) foot easement along Lot lines adjacent to streets for the installation of driveways, curbing, and curb cuts for driveways;

(c) the right and easement to erect permanent walls on the Common Areas for the purposes of providing screening, privacy, decoration, retainage and topographical stability in connection with the overall plan and development of the Development, the Property and the Lots located therein and thereon;

(d) a temporary easement for the benefit of Declarant over the Common Areas for the purpose of temporarily storing construction materials or parking vehicles and equipment in connection with the construction of improvements on the Common Areas or on adjacent or contiguous property owned by Declarant;

(e) an easement for the purpose of maintenance of landscaping over the Common Areas in such amount, manner and maintenance as the Declarant, in its sole discretion, shall determine;

(e) an easement for the installation and maintenance of utilities (including transformers and service facilities) and other commonly beneficial amenities including, without limitation, mailboxes, trash containers and area lighting over the Property and Common Areas;

(g) temporary cul-de-sac easements as shown on any Plat of the Property; and

(h) the ability to grant an easement over Common Areas private roads located on the Property for the benefit of the owners of any Adjacent Property and to impose on the owners of such Adjacent Property such terms and restrictions and reasonable fees as the Declarant determines is appropriate to maintain the private roads located on the Property.

Each Owner, by acceptance of a deed to a Lot, and the Association by its acceptance of a deed to the Common Areas, acknowledge and agree to the foregoing reservation of easements and the right of Declarant to transfer such easements to the Association or to public or private utility companies as Declarant may choose.

The easements reserved by the Declarant include the right to cut or remove without replacement any trees, bushes or shrubbery, make any gradings of the soil, or take any similar action required by a utility for acceptance of a transfer or reasonably necessary to provide economical utility installation and maintenance of the overall appearance of the Development.

Within any of the foregoing easements, no structure, planting or other material shall be placed or permitted to remain which may, in Declarant's sole opinion, interfere with the installation or use of utilities, or which may change the direction of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements, or which may otherwise damage or interfere with the enjoyment or use of the easements for their intended purposes.

The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of such Lot, except for those improvements for which, a public authority or utility company is responsible.

2. Encroachments. Each Owner of a Lot with an exterior wall, roof or eave, including overhangs, fence, concrete or asphalt walk or patio, which encroaches on the Common Area and/or an unimproved portion of a Lot of another Lot Owner and which encroachment exists solely by virtue of original construction by the Declarant or with Declarant's express written approval, shall have an easement over that portion of the Common Area or adjacent Lot affected by the encroaching wall, roof, eave, fence, walk or patio for the purpose of using said portion of the Common Area or adjacent Lot for the encroaching Owner's own benefit and for the purpose of maintaining the encroaching structure in good condition and repair. In the case of a wall, roof, eave or fence encroachment, it shall be the responsibility of the Owner thereof to maintain the encroaching wall, roof, eave or fence in good condition and repair. If any such encroaching wall, roof, eave, fence, patio or walkway shall be destroyed or removed, it shall not be replaced or rebuilt so as to encroach upon the adjacent Lot or Common Area.

Article VIII General Covenants Uses Permitted and Restricted

1. Residential Use of Property; Enforcement of Article; Fines; Lien; Foreclosure. All Lots shall be used for single-family residential purposes only, and no business or business activity shall be carried on or upon any Lot at any time; provided, however, that nothing herein shall prevent Declarant from using any Lot owned by Declarant for the purpose of carrying on business related to the development, improvement and sale of Lots in the Development.

The Board of Directors of the Association, with or without the recommendation of the Architectural Committee, shall have the specific, nonexclusive right to enforce the provisions contained in this Article and to prevent any violation of the provisions contained in this Article by a fine in such amount as determined by the Board of Directors levied against the Owner of a Lot who violates or attempts to violate any such provisions contained herein, by filing any such fine as a lien against such Lot in the public records of Dorchester County and enforcing payment of any such fine by an action in foreclosure against such Lot, including attorney's fees and costs of enforcement, as well as any other proceeding at law or in equity against the Owner of the Lot who violates or attempts to violate any such provisions contained herein.

The Association shall have an easement and right of access over, upon and across the Lots in the Development for purposes of enforcing the provisions of this Article and Article VIII concerning maintenance of Lots.

2. Setbacks and Building Lines. Each structure, including without limitation, residential dwellings, garages, whether attached or detached, utility buildings, and any other permitted structures, erected on any Lot shall be situated on such Lot in accordance with the building and setback lines as shown on the recorded Plats of the Development. In no event shall any dwelling, garage, utility building or other permitted structure be constructed and located upon any Lot nearer to any side Lot line than ten (10%) percent of the width of the Lot measured at the front wall of the structure.

3. Subdividing Lots: Combining Lots. No Lot shall be subdivided. Two or more Lots may be combined to form a fewer number of Lots so long as any resulting Lot(s) meet(s) all subdivision and zoning requirements. Any easements along side Lot lines which are abandoned in the combination of Lots shall be deemed automatically abandoned unless there is, in fact, an easement or utility located along or adjacent to said Lot line. The Owner of any combined Lot shall be responsible for all costs and expenses of removing or relocating any utility located along or adjacent to any side Lot line being abandoned. The combination of lots will not reduce the assessment due and the owners of property combining Lots shall be responsible to apportion their respective share of the assessments attributable to the Lot being combined into their respective Lot. For example, if two (2) property owners buy a Lot between them and split the Lot, then each of the Owners shall pay one and one-half (1 1/2) of the normal assessment for the new Lot.

4. Dwelling Floor Space. Each Lot shall contain no more than one (1) residential dwelling containing the minimum floor space as follows:

- | | | |
|-----|-----------------------------------|------------------|
| (a) | One-story dwelling - | 2000 square feet |
| (b) | One and one-half story dwelling - | 2000 square feet |
| (c) | Two-story dwelling - | 2000 square feet |

No dwelling on any Lot shall have more than two stories as measured from grade and above. In calculating the minimum floor space, only the heated area of the dwelling shall be included. Any area comprising porches, garages, breezeways, porte-cocheres, unfinished attics and unfinished basements shall be excluded.

5. Garages. No garage, whether attached or detached, erected on any Lot shall be more than two stories in height.

6. Detached Structures. No detached outbuilding, garage, or other structure shall be erected on any Lot that is more than two stories in height. All detached structures must be to the rear of the main dwelling and must be constructed within the building setback lines for the Lot. Any detached structure to be erected, constructed, or placed upon any Lot must be approved in writing by the Architectural Committee.

7. Building and Zoning Codes. All structures must comply with all applicable building and zoning codes.

8. Swimming Pools. No above-ground swimming pools may be erected or constructed on any Lot. Any swimming pool must be located to the rear of any dwelling on the Lot and have at least a four-foot security fence around its immediate apron perimeter that remains locked at all times except when in use by the Owner, in addition to any other fencing that may be permitted by this Declaration.

9. Obstructions of View at Intersections and at Driveway, Entrances to Streets. Vegetation shall not be permitted by any Owner to obstruct the view at street intersections or at driveway entrances to streets.

10. Delivery Receptacles and Property Identification Markers. The Architectural Committee shall have the right to approve the location, color, size, design, lettering and all other particulars of receptacles for the receipt of mail, newspapers or similarly delivered materials, and of name signs for such receptacles, as well as Lot identification markers.

11. Use of Outbuildings and Similar Structures. No structure of a temporary or permanent nature, unless approved in writing by the Architectural Committee, shall be erected or allowed to remain on any Lot. In no event shall any trailer, camper, shack, tent, garage, utility building, shed, greenhouse, barn or other structure of a similar nature be used as a residence, either temporarily or permanently; provided, however, that this Section shall not be construed to prevent the Declarant from using sheds or other temporary on Lots during construction.

12. Completion of Construction. The Architectural Committee shall have the right to take appropriate legal action, at law or in equity, to compel the immediate completion of any dwelling or other structure not completed within two (2) years from the date of commencement of construction.

13. Animals; Pets; Livestock. No animals, livestock, exotic pets, poultry, or other fowl of any kind (whether domestic or exotic) shall be raised, bred or kept on any Lot, except that a reasonable number of dogs, cats, or other small in-door household pets (ex. parakeets, fish, hamsters, gerbils) may be kept; provided, however, that they are not kept, bred, or maintained for any commercial purposes. "Reasonable number" shall mean not exceeding three (3) pets outdoors at any time. Any household pets must not constitute a nuisance or cause unsanitary conditions. Any such pets shall be securely fenced upon the Owner's Lot so as to prevent them

from trespassing upon other Lots in the Development. All applicable local laws or regulations, including leash laws, shall be observed.

14. Offensive Activities. No noxious, offensive or illegal activities shall be carried on upon any Lot, nor shall anything be done thereon or any substance, thing, or material be kept thereon which is or may cause any noise or foul or obnoxious odors or become an annoyance or nuisance to the Owners of other Lots or that will or might disturb the peace, quiet, comfort, or serenity of other Owners.

15. Signs. No advertising signs or billboard shall be erected upon any Lot if it exceeds four (4) square feet. This restriction shall not apply to signs used to identify and advertise the subdivision as a whole, nor to signs for selling Lots during the initial construction of residences on Lots; provided that such signs are approved by the Architectural Committee. In addition, the provisions of this Section shall not apply to anyone who becomes the Owner of any Lot as purchaser at a judicial or foreclosure sale of a Lot or as a transferee pursuant to any proceeding in lieu of foreclosure so long as such signs are approved by the Architectural Committee.

16. Fences. No chain link fences shall be permitted on any Lot. No fence shall exceed six (6) feet in height. Privacy fences shall be of a shadowbox design. Any other type of fence must be of a decorative design as established by the Architectural Committee. Any fence not of a split-rail type must be constructed of solid cedar, redwood or fir and shall be painted or stained in a color matching the exterior of the home or in a natural wood color. Split-rail fences shall remain natural and unfinished. White beaded vinyl fences are permitted provided they are of a design permitted hereunder. No fences shall be erected or begun on any Lot without the prior written approval of the Architectural Committee as provided in Article VI hereof. Materials, height and location are subject to approval in accordance with this Section.

17. Siding. The approved siding for all single-family residential houses to be constructed on a Lot include fiber-cement, wood, brick, stucco, and beaded vinyl. All other siding material must be approved in writing by the Architectural Committee (as provided in Article VI hereof) prior to installation of such siding.

18. Decorative Yard Ornamentation. No decorative statues, birdbaths, fountains, ornaments, figurines, or any other decorative structures or items are permitted in the front or side yards of any Lot.

19. Maintenance. Each Owner shall keep and maintain the Owner's Lot and any improvements and landscaping thereon in good condition and repair, including, without limitation (a) repairing and painting (or other appropriate external care) of all structural improvements; (b) seeding, watering and mowing of all lawns; and (c) pruning and trimming of all trees, hedges and shrubbery so that the same do not obstruct the view of pedestrians and motorists of street traffic. The Architectural Committee shall have the power and responsibility of enforcing this Section.

20. Antennae Satellite Dishes and Disks. To the extent not preempted by Federal regulation, no antennae, satellite dishes or disks, ham radio antennae, or antenna towers for receiving or transmitting radio, television, or other electronic transmission shall be permitted to be placed or used upon any Lot, except for small television receiving disks, not exceeding eighteen (18) inches in diameter, attached to or ground mounted immediately adjacent to the rear or side of the residential dwelling or garage on a Lot.

21. Playground Equipment and Basketball Goals. No basketball hoops or goals, whether free-standing, removable or attached to mounts shall be placed in or on any street, road, right-of-way, side walk, front yard, driveway, easement, or attached to the front or side of residences or garages. Basketball goals or hoops may be placed on a Lot only to the rear of residences or garages. All playground equipment, including without limitation, sandboxes, children's wading pools, swings, gym sets, soccer goals, volleyball or badminton nets, shall only be placed or kept in the rear of residences and garages and shall not be placed or kept in front or side yards.

22. Motorized Vehicles. No commercial, recreational, or disabled vehicles, boats, jet skis, boat trailers, motorcycles, motor homes, trucks, buses, vehicles on blocks or any like equipment or mobile or stationary trailers of any kind shall be kept, stored or parked overnight either on any street or on any Lot, except within a fully enclosed garage or behind the residence or garage, screened from view from any street adjacent to a Lot. Notwithstanding the foregoing, passenger automobiles may be parked in driveways, if the number of vehicles owned by Owner exceeds the capacity of the garage. All motor vehicles must be equipped with functioning mufflers to maintain the lowest possible noise level when operated. The foregoing shall not be interpreted or applied to prevent the temporary, non-recurrent parking of any vehicle, boat, trailer or motor home for a period not to exceed forty-eight (48) hours on the street or upon any Lot.

23. Construction Debris Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste. All construction debris and litter shall be maintained in a manner that prevents any hazardous condition and/or distribution to any other Lot. All construction debris and litter shall be removed within fifteen (15) days of construction completion. No other garbage and refuse shall be kept or allowed to accumulate on any Lot except in sanitary containers designed for that purpose.

24. Changing Elevations. No Owner shall excavate or extract earth for any business or commercial purpose from any Lot. No elevation changes shall be permitted which materially affect surface grade of surrounding Lots, unless approved in writing by the Architectural Committee.

25. Tanks. Fuel oil and gas tanks may not be installed on any Lot. Small fuel containers for lawn mowers and the like implements may be kept on Lots.

26. Clotheslines and Garbage Cans. Clotheslines and garbage cans and equipment shall be screened to conceal them from view of adjacent Lots and streets. No garbage incinerators shall be permitted on any Lot.

27. Firearms and Weapon Discharge. Any firearm or weapon discharge or release, other than for defense or protection or one's life or property, is strictly prohibited on any and all Property in the Development. Firearms and weapons shall include, without limitation, rifle, gun, pistol, shotgun, black powder gun, pellet or BB gun, bow and arrow, crossbow and arrow, and any other weapon from which any bullet, shot, or projectile may be discharged or released.

28. Model Homes. Declarant shall have the right to construct and maintain model homes on any of the Lots.

29. Driveways and Entrances to Garages. All driveways and entrances to garages shall be concrete or a substance approved in writing by the Architectural Committee and of a uniform quality.

30. Off-Street Parking. Provisions must be made by each Owner of a Lot for the parking of at least two automobiles belonging to occupants and guests off the adjacent streets and in garages on Lots. The parking of guest or occupant vehicles on streets for long or repeated periods of time during the day or night or both, except for occasional, non-regular social gatherings and functions, shall not be permitted. No vehicles shall be permitted to be parked on Lots except in garages or on driveways.

31. Aesthetics. Natural Growth. Screening. Trees which have a diameter in excess of six (6") inches measured four and one-half (4 ½) feet above ground level, and distinctive flora, shall not be intentionally destroyed or removed except with the prior written approval of the Architectural Committee.

32. Wild Bird Sanctuary. The Properties are declared to be a wild bird sanctuary. No wild bird of any type shall be killed or harmed above, upon or within the, boundaries of the Properties.

Article IX General Provisions

1. Enforcement by Fine; Lien; Court Action; Foreclosure of Lien. The Association, or any Owner, shall have, the right to enforce, by any proceeding at law or in equity, all or any provisions of this Declaration including, without limitation, all restrictions conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration as amended. Failure of the Association or any Owner to enforce any provision of this Declaration shall in no event be deemed a waiver of the right to do so thereafter and such failure shall not be deemed acquiescence in any breach of this Declaration. Each Owner shall have all appropriate remedies at law or in equity to enforce the provisions of this Declaration and the By-Laws of the Association and any duly authorized rules and regulations governing the Development against the Association.

2. Severability. Invalidity of any of the terms and conditions or provisions of this Declaration by final judgment or a court of competent jurisdiction shall not affect any other provisions which shall remain in full force and effect.

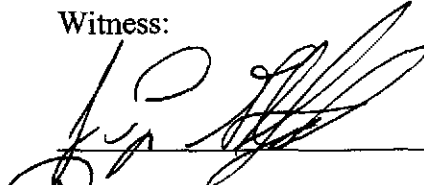
3. Amendment. This Declaration may be amended by an instrument signed by the Owners of not less than seventy-five (75%) percent of the Lots and by the Declarant, so long as the Declarant owns any Lots.

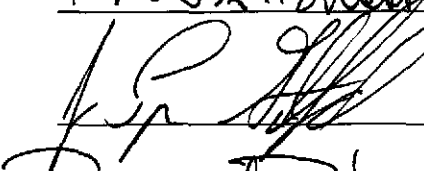
4. FHA/VA Approval. Notwithstanding anything to the contrary contained in this Declaration, as long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: (a) annexation of additional Properties; (b) dedication of Common Areas; and (c) amendment of this Declaration.

5. Duration. This Declaration and its covenants and restrictions shall run with and bind the land until January 1, 2037, after which time they shall be automatically extended for successive periods of ten (10) years.

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

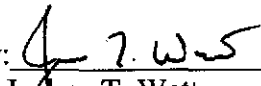
Witness:



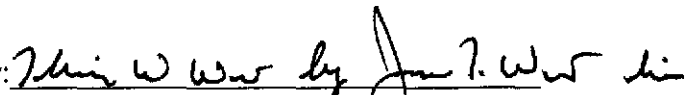
 Bruce L. Street



 Bruce L. Street

F and S, LLC

By: 

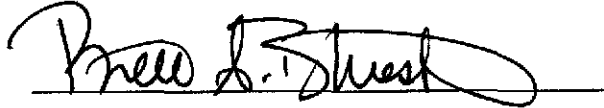
 Joshua T. Watts
 Its Member

By: 

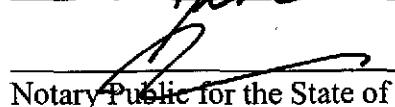
 Thomas W. Watts by Joshua T. Watts, 
 his Attorney-in-Fact
 Its Member

STATE OF SOUTH CAROLINA)
) PROBATE
 COUNTY OF CHARLESTON)

Personally appeared before me the undersigned witness, who says on oath that (s)he saw **Joshua T. Watts**, a member of F and S, LLC, a South Carolina limited liability company, sign, seal and, as the act and deed of said limited liability company, deliver the within written Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Hills Homeowners Association, Inc., and (s)he with the other witness, witnessed the execution thereof.

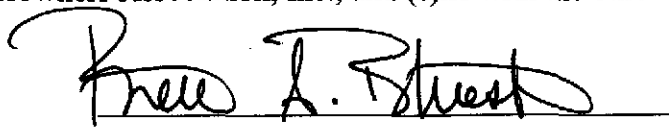


Sworn to before me this
 1 day of June, 2006.


 Notary Public for the State of South Carolina
 My Commission Expires: 1-17-2013

STATE OF SOUTH CAROLINA)
) PROBATE
 COUNTY OF CHARLESTON)

Personally appeared before me the undersigned witness, who says on oath that (s)he saw **Thomas W. Watts by Joshua T. Watts, his Attorney-in-Fact**, a member of F and S, LLC, a South Carolina limited liability company, sign, seal and, as the act and deed of said limited liability company, deliver the within written Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Hills Homeowners Association, Inc., and (s)he with the other witness, witnessed the execution thereof.



Sworn to before me this
 1 day of June, 2006.

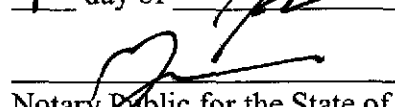

 Notary Public for the State of South Carolina
 My Commission Expires: 1-17-2013

EXHIBIT A**LEGAL DESCRIPTION OF PHASE II PROPERTY**

ALL those certain pieces, parcels or lots of land, situate lying and being in the County of Dorchester, State of South Carolina, shown and designated as, "LOT 1 through LOT 31", on a plat entitled, "HIDDEN HILLS AT SUMMERVILLE COUNTRY ESTATES FINAL SUBDIVISION PLAT OF PHASE II – BLOCKS 'B' & 'D' LOCATED IN DORCHESTER COUNTY, SOUTH CAROLINA" prepared by Cornerstone Surveying & Engineering, Inc., dated April 24, 2006, and recorded April 28, 2006, in Plat Cabinet L at Page 8, in the ROD Office for Dorchester County, South Carolina.

SAVE AND EXCEPTING all those certain pieces, parcels or lots of land, situate lying and being in the County of Dorchester, State of South Carolina, shown and designated as, "EXISTING HOA 5 POND AREA (PHASE I)" on a plat entitled, "HIDDEN HILLS AT SUMMERVILLE COUNTRY ESTATES FINAL SUBDIVISION PLAT OF PHASE II – BLOCKS 'B' & 'D' LOCATED IN DORCHESTER COUNTY, SOUTH CAROLINA" prepared by Cornerstone Surveying & Engineering, Inc., dated April 24, 2006, and recorded April 28, 2006, in Plat Cabinet L at Page 8, in the ROD Office for Dorchester County, South Carolina.

TMS Nos.:

143-05-01-012 – Lot 1	143-05-01-031 – Lot 18
143-05-01-014 – Lot 2	143-05-01-032 – Lot 19
143-05-01-015 – Lot 3	143-05-01-033 – Lot 20
143-05-01-016 – Lot 4	143-05-01-034 – Lot 21
143-05-01-017 – Lot 5	143-05-01-035 – Lot 22
143-05-01-018 – Lot 6	143-05-01-036 – Lot 23
143-05-01-019 – Lot 7	143-05-01-037 – Lot 24
143-05-01-020 – Lot 8	143-05-01-038 – Lot 25
143-05-01-021 – Lot 9	143-05-01-039 – Lot 26
143-05-01-022 – Lot 10	143-05-01-040 – Lot 27
143-05-01-023 – Lot 11	143-05-01-041 – Lot 28
143-05-01-024 – Lot 12	143-05-01-042 – Lot 29
143-05-01-026 – Lot 13	143-05-01-043 – Lot 30
143-05-01-027 – Lot 14	143-05-01-044 – Lot 31
143-05-01-028 – Lot 15	
143-05-01-029 – Lot 16	
143-05-01-030 – Lot 17	

EXHIBIT B**LEGAL DESCRIPTION OF PHASE III (RESIDUAL) PROPERTY**

ALL those certain pieces, parcels or lots of land, situate lying and being in the County of Dorchester, State of South Carolina, shown and designated as, "PHASE ONE WETLAND 3.320+/- ACRES HIGHLAND 26.680 +/- ACRES TOTAL 30.000 ACRES" and "PHASE TWO WETLAND 313.848 +/- ACRES HIGHLAND 86.533 +/- ACRES TOTAL 400.381 ACRES" on a plat entitled, "HIDDEN HILLS BOUNDARY SURVEY PLAT OF EXISTING PARCELS PHASE 1 AND PHASE II HIDDEN HILLS SUBDIVISION 430.38 ACRES, ROBERTS ROAD, DORCHESTER COUNTY, SOUTH CAROLINA" prepared by Cornerstone Surveying & Engineering, Inc., dated November 24, 1999, and recorded December 1, 1999, in Plat Cabinet J at Pages 148 - 149, in the ROD Office for Dorchester County, South Carolina.

SAVE AND EXCEPTING:

1. ALL those certain pieces, parcels or lots of land, situate lying and being in the County of Dorchester, State of South Carolina, shown and designated as, "LOT 1C through LOT 36C", "HOA 1", "HOA C", "HOA 3", "FALL CREEK BOULEVARD", "CLEAR SPRINGS CIRCLE", "CALMING MIST LANDING" "FAWN COURT" AND "VINE STREET" on a plat entitled, "HIDDEN HILLS FINAL SUBDIVISION PLAT PHASE I - BLOCK 'C' LOCATED IN DORCHESTER COUNTY, SOUTH CAROLINA" prepared by Cornerstone Surveying & Engineering, Inc., dated May 31, 2000, and recorded June 2, 2000, in Plat Cabinet J at Page 163, in the ROD Office for Dorchester County, South Carolina.
2. ALL those certain pieces, parcels or lots of land, situate lying and being in the County of Dorchester, State of South Carolina, shown and designated as, "LOT 1A through LOT 23A", "HOA 2", "HOA E", "HOA 5" on a plat entitled, "SUMMERVILLE COUNTRY ESTATES FINAL SUBDIVISION PLAT PHASE I - BLOCK 'A' LOCATED IN DORCHESTER COUNTY, SOUTH CAROLINA" prepared by Cornerstone Surveying & Engineering, Inc., dated July 9, 2001, and recorded August 28, 2001, in Plat Cabinet K at Page 1, in the ROD Office for Dorchester County, South Carolina.
3. ALL those certain pieces, parcels or lots of land, situate lying and being in the County of Dorchester, State of South Carolina, shown and designated as, "LOT 1 through LOT 31", "HOA 1", "HOA 2", "HOA 3", "FALL CREEK BOULEVARD", "ENCLAVE TERRACE", "SLEEPY HOLLOW COURT" and "TERRA LOOP" on a plat entitled, "HIDDEN HILLS AT SUMMERVILLE COUNTRY ESTATES FINAL SUBDIVISION PLAT OF PHASE II - BLOCKS 'B' & 'D' LOCATED IN DORCHESTER COUNTY, SOUTH CAROLINA" prepared by Cornerstone Surveying & Engineering, Inc., dated April 24, 2006, and recorded April 28, 2006, in Plat Cabinet L at Page 8, in the ROD Office for Dorchester County, South Carolina.

TMS No.: 142-00-00-011

EXHIBIT C

BY-LAWS

**BY-LAWS
OF
HIDDEN HILLS HOMEOWNERS ASSOCIATION, INC.**

A South Carolina Nonprofit Mutual Benefit Corporation

Pursuant to the provisions of the South Carolina Nonprofit Corporation Act, the Board of Directors of Hidden Hills Homeowners Association, Inc., a South Carolina nonprofit mutual benefit corporation, has adopted the following By-Laws for such corporation.

ARTICLE I

MEMBERS

Section 1. Membership in the Association. The Members (hereinafter referred to as the "Members") of Hidden Hills Homeowners Association, Inc. (hereinafter referred to as the "Association") shall be every Property Owner (as defined in the Covenants hereinafter described) of the Property (as defined in the Covenants hereinafter described) subject to the provisions of the Declaration of Covenants and Restrictions, and provisions for the Association, as the same may be amended from time to time, (hereinafter referred to as the "Covenants"), all such Covenants having been made by F and S, LLC (hereinafter referred to as the "Declarant").

The Board of Directors of the Association may, after notice and hearing as provided in the Rules and Regulations, suspend any person from Membership in the Association during any period of time when such person is in default of any of his obligations under the By-Laws (including, without limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such member.

Section 2. Membership Classes. The Association shall have two classes of voting Membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. Payment of special assessments shall not entitle a Member to additional votes. When any Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, partners or in any other manner of joint or common ownership, their acts with respect to voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot. When more than one person holds an interest in any Lot, all such persons shall be Members.

Class B. The Class B member(s) shall be the Declarant (as defined in the Covenants), and shall be entitled to nine (9) votes for each Lot owned. Payment of special assessments shall not entitle a Member to additional votes. When any Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, partners or in any other manner of joint or common ownership, their acts with respect to voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot. When more than one person holds an interest in any Lot, all such persons shall be Members.

The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership; or
- (b) on June 1, 2009.

Section 3. Voting Rights in the Association. The Members of the Association shall have the right to vote for the election and removal of directors and upon such other matters with respect to which a vote of Members is required under the Covenants. Each Class A member shall be entitled to one (1) vote for each Lot owned. The Class B member shall be entitled to nine (9) votes for each Lot owned.

ARTICLE II

MEETING OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the Members shall be held on such date as set by the Board of Directors. Such annual meetings shall be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meeting. Special meetings of the Members may be called by the President, the Board of Directors, or subsequent to the first annual meeting, Class A Members of the Association representing not less than five percent (5%) of the Class A voting power. The request for the special meeting shall be signed, dated and delivered to a corporate officer and shall describe the purpose for which the meeting is to be held.

Section 3. Place of Meeting. The Board of Directors may designate any location within Dorchester County, South Carolina as the place for any annual meeting or special meeting called by the Board of Directors, and the President may designate any locations as the place for any special

meeting called by him. If no designation is made or if a special meeting is called by the Members of the Association, the place of meeting shall be the principle office of the Association within Dorchester County, South Carolina.

Section 4. Notice of Meeting. Written notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by first class mail, by or at the direction of the President or the Secretary or the person calling the meeting, to each member of the Association at his address as shown on the records of the Association. A member may, in writing, signed by him, waive notice of any meeting before or after the date of the meeting stated herein.

Section 5. Informal Action by Members. Any action required or permitted by law to be taken at a meeting of the Members of the Association may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by those Members representing eighty percent (80%) of the voting power of each class of Membership, which consent shall be filed with the secretary of the Association as part of the corporate records.

Section 6. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association shall be the presence at the meeting of Members or proxies entitled to cast ten percent (10%) of the total vote of each class of Membership.

Section 7. Conduct of Meetings. The directors may make such regulations as they deem advisable for any meeting of the Members, including proof of Membership in the Association,

evidence of the right to vote and the appointment and duties of inspectors of votes. Such regulation shall be binding upon the Association and its Members.

Section 8. Ballots by Mail. When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association a statement of certain motions to be introduced for vote of the Members and a ballot on which each member may vote for or against the motion. Each ballot which is represented at such meetings shall be counted in calculating the quorum requirements set out in Section 6 of this Article II. Provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

ARTICLE III

DIRECTORS

Section 1. General Powers. The Board of Directors shall manage the property, affairs, and business of the Association. The Board may exercise all of the powers of the Association, whether derived from law, the Covenants, the Articles of Incorporation, the Rules and Regulations, or these By-Laws, except such powers as are expressly vested in another Person by such sources. As more specifically set forth in the Covenants, the Board shall constitute the final administrative authority of the Association, and all decisions of the Board shall be binding upon the Association. The Board may by written contract delegate, in whole or in part, to a Management Agent or Agents, such of its duties, responsibilities, functions, and powers, or those of any officer, as it determines are appropriate.

Section 2. Number and Tenure.

2.1 For so long as Declarant owns a Controlling Interest, the Board of Directors shall consist of not less than three (3) nor more than five (5) individuals, as designated by Declarant from time-to-time. Such Directors need not be Members.

2.2. At such time as the Declarant no longer owns a Controlling Interest, or such earlier time as the Declarant records a Supplemental Declaration waiving its authority to designate the Board, the successor Board shall be selected as follows:

A. The successor Board shall consist of not less than three (3) nor more than five (5) Persons. It is not necessary that a successor Director be a Member. The current Board of the Association shall constitute a Nominating Committee to nominate competent and responsible Persons to serve as Directors of the Association. The President or Secretary of the Association shall cause notice to be given to all Members that a meeting shall be held at a designated time and place in Charleston County not earlier than ten (10) days nor more than sixty (60) days after the date such notice is given for election of Directors. The notice shall contain the names of those persons recommended by the Nominating Committee, but shall note that Members may make other nominations at the meeting. If there are three (3) directors, one (1) director shall be elected for a two (2) year term and two (2) directors for a three (3) year term. If there are five (5) directors, three (3) directors will be elected for a three (3) year term and two (2) directors for a two (2) year term.

B. At the meeting and each subsequent election of Directors, each Member shall be entitled to cast, personally or by written proxy in form approved by the then-existing Board, such votes as are permitted by Section 3.3.

C. After giving the Members (or proxy holders) attending such meeting the opportunity to nominate other Persons, with a second by another Member or proxy holder, the Directors shall be elected by written secret ballot. Each Member shall be authorized to cast as many votes as the number of Directors to be elected. (Example: If three Directors are being elected, then the Member may vote for three nominees. If the Member owns two Lots, then the Member may cast two votes for three nominees.) Those nominated Persons receiving the highest number of votes shall be the Directors.

D. In subsequent elections for Directors, the same procedure as set forth above shall be followed.

Section 3. Annual Meeting. Annual meetings of the Board of Directors shall be held annually immediately following the annual meeting of the Members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without notice.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors by giving notice thereof as provided in Section 5 of this Article III. Such persons calling a special meeting of the Board of Directors may fix any location as the place for holding such special meeting.

Section 5. Notice. When notice of any meeting of the Board of Directors is required, such notice shall be given at least five (5) days previous to such meeting by written notice delivered personally or sent by mail to each director at his address as shown on the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited, postage prepaid, in the

United States Mail in a properly addressed sealed envelope. Any director may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, the Articles of Incorporation, these By-Laws, or the Covenants.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting without further notice.

Section 7. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, any director may be reimbursed for his actual expenses incurred in the performance of his duties as director, but nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation therefore.

Section 9. Informal Action by Directors. Any action required or permitted by law to be taken at a meeting of directors may be taken without a meeting if a consent, in writing, setting forth

the action so taken shall be filed with the secretary of the Association as part of the corporate records.

Section 10. Removal of Directors. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association. The vacancy thus created by such a removal shall be filled as provided in Section 2 of this Article III.

ARTICLE IV

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) Adopt and publish Rules and Regulations governing the use of the Common Properties, and the personal conduct of the Members and their employees, clients, visitors, tenants, and invitees thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and the rights to use of the common areas of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Prior to any suspension or assessment and fine, the member will be entitled to a hearing procedure to be adopted by the Board which provides: (i) not less than fifteen (15) days prior written notice of the expulsion, suspension, or termination and the reasons therefore; (ii) an opportunity for the member to be heard, orally or in writing, not less than five (5) days before the effective date of the expulsion, suspension, or termination by a person or persons authorized to decide that the proposed expulsion, termination, or suspension not take place; (iii) such lesser notice or greater notice depending on the nature of the infraction so long as such notice and hearing process is fair and reasonable, taking into consideration all of the relevant facts and

circumstances; (iv) written notice must be given by first class or certified mail sent to the last address of the member shown on the corporation's records; (v) any proceeding challenging an expulsion, suspension, or termination, including a proceeding in which defective notice is alleged, must be commenced within one (1) year after the effective date of the expulsion, suspension, or termination; and (vi) that any member who has been expelled or suspended shall remain liable to the Association for dues, assessments, or fees as a result of obligations incurred or commitments made before expulsion or suspension or arising thereafter so long as the member is a lot owner at Hidden Hills. Such voting rights or rights to use common areas may also be suspended after notice and hearing, for a period not to exceed thirty (30) days, for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation or the Covenants;

(d) Employ a manager, an independent contractor, an accountant, attorney, or such other employees as they deem necessary, and to prescribe their duties;

(e) Acquire additional common areas, mortgage common areas and sign notes and mortgages and other loan closing documents in order to make improvements to Hidden Hills, so long as such acquisition or mortgage and loan shall have the ascent of two thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

(f) Exercise for the Association all powers, duties and authority as set forth in the South Carolina Non-Profit Corporation Act of 1994.

(g) Publish a notice and hearing process to be used before a member can be fined or expended.

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 by a one-fourth (1/4) vote of the Members who are entitled to vote;

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

(c) As more fully provided in the Covenants, to:

(1) fix the amounts of all assessments;

(2) send written notice of all assessments to every owner subject thereto;

(3) foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same; and

(4) provide for a Architectural Committee.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge

may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned or leased by the Association.

(f) use their discretion to determine whether they should require all officers or employees having fiscal responsibilities to be bonded.

(g) Cause the landscaping in the Common Area (as defined in the Covenants) of the Property, and the other authorized areas to be maintained or improved.

ARTICLE V

To the extent and in the manner provided by law, the Association may participate in mergers and consolidation with other non-profit associations organized for the same purpose, provided, however, that any such merger or consolidation shall require approval by the vote of two-thirds (2/3) of the Members at a meeting duly called for such purpose.

Upon merger or consolidation of the Association with another association or associations, its property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving Association pursuant to a merger. The surviving or consolidated association may administer the existing property, together with the covenants and restrictions established upon any other property as one plan. No merger or consolidation shall affect any revocation, change or addition to the

Covenants, including without limitation, the maximum limits on assessments and dues of the Association, or any other matter substantially affecting the interest of Members of the Association.

ARTICLE VI

To the extent provided by law, the Board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its authorized functions. Notwithstanding anything in the covenants to the contrary, the Association shall not be allowed to reduce the limits of the minimum regular annual assessment at any time there are outstanding any amounts as repayment of any such loans.

ARTICLE VII

OFFICERS

Section 1. Officers. The officers of the Association shall be a President, Vice President, and Secretary-Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person except the offices of President and Secretary. The President shall be a director of the Association. Other officers may be, but need not be, directors of the Association.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members. A vacancy in any office arising because of death,

resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interest of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors, except as otherwise determined by the Board of Directors. The President shall be chief executive officer of the Association.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary-Treasurer. Such resignation shall take effect on the date of the receipt of such notice or at any later time, specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VIII

COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of one (1) or more directors, which committees, to the extent provided in the resolution shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association; provided, however, that no such committee shall have the authority of the Board of Directors as to the following matters:

(a) the dissolution, merger or consolidation of the Association; the amendment of the Articles of Incorporation of the corporation; or the sale, lease or exchange of all or substantially all of the property of the Association;

(b) the designation of any such committee or the filling of the vacancies in the Board of Directors or in any such committee;

(c) the amendment or repeal of these By-Laws or the adoption of new By-Laws; and

(d) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated by a resolution adopted by a majority of directors present at a meeting of which a quorum is present. Such committees shall perform such duties and have such powers as may be provided in the resolution.

Section 3. Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE IX

CERTIFICATES OF MEMBERSHIP

The Board of Directors may provide for the issuance of certificates evidencing Membership in the Association, which shall be in such form as may be determined by the Board. Such

certificates shall be signed by the President or by the Secretary-Treasurer or an Assistant Secretary and shall be sealed of the Association. All certificates evidencing Membership shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Association. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Directors may determine.

ARTICLE X

The books, records and paper of the Association shall at all times be subject to the inspection by any member during reasonable business hours. The Covenants, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection and purchase by any member at the principal office of the Association. The Association may make a reasonable charge for copies of documents made for Members.

ARTICLE XI

Section 1. Each member entitled to vote may vote in person or by proxy at all meetings of the Association.

Section 2. All proxies shall be executed in writing by the member or by his duly authorized attorney-in-fact and filed with the Secretary-Treasurer; provided, however, that proxies shall not be required for any action which is subject to a referendum in accordance with the Covenants. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date and no proxy shall be valid after eleven (11) months from the date

of its execution unless otherwise provided in the proxy. Any proxy shall automatically cease upon sale by the member of his Lot.

ARTICLE XII

CONSTRUCTION

In the event of a conflict between the Covenants and the Articles of Incorporation or the By-laws, the Covenants shall control; and in the case of any conflict between the Articles of Incorporation and the By-Laws that the Covenants do not resolve, the Articles of Incorporation shall control. The Corporation, Directors, and Officers shall have all powers as set forth in the South Carolina Nonprofit Corporation Act of 1994 (the "Act"). In the event of a conflict, the By-Laws shall prevail if such conflict is permitted by terms of the Act. If there is a conflict in the By-Laws which are not permitted by the Act, then the terms of the Act shall prevail.

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Covenants, and with special provisions and reservations on payment of assessments by the Declarant, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessment which is not paid when due shall be delinquent and shall be subject to such fees and interest until payment as provided in the Covenants.

ARTICLE XIVINDEMNIFICATION

Section 1. Indemnification. The Association shall indemnify any Person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding (including a proceeding brought by the Association) whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director, officer, employee, or agent of the Association, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement in connection with such action, suit, or proceeding, if the indemnified Person (a) acted in good faith, without fraudulent intent or gross negligence (or, if the action is brought by the Association, without negligence or breach of any contractual or fiduciary obligation to the Association), and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and (b) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgement, order, or settlement, or plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Determination. If a Director, officer, employee, or agent of the Association is successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 7.1, or in defense of any claim, issue, or matter therein, he shall be indemnified against

expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under Section 7.1 hereof shall be made by the Association only upon a determination that indemnification of the Director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Section 7.1 hereof. Such determination shall be made by the Board by a majority vote of a quorum consisting of Directors excluding the Person whose indemnification is being considered.

Section 3. Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board (excluding the Person whose indemnification is being considered) and upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article.

Section 4. Scope of Indemnification. The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Covenants, Articles of Incorporation, By-Laws, agreements, vote of disinterested Members of Directors, or applicable law. The indemnification authorized by this Article shall apply to all present and future Directors, officers, employees, and agents of the Association and shall continue as to such Persons who cease to be Directors, officers, employees, or agents of the Association and shall inure to the benefit of the heirs and legal representatives of all such Persons.

Section 5. Insurance. The Association may purchase and maintain insurance on behalf of any Person who was or is a Director, officer, employee, or agent of the Association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the By-Laws or the laws of the State of South Carolina, as the same may hereafter be amended or modified.

Section 6. Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute Common Expenses of the Association and shall be paid with funds of the Association.

ARTICLE XV

FISCAL YEAR AND SEAL

Section 1. Fiscal Year. Unless otherwise determined by the Board of Directors, the fiscal year of the Association shall begin on the 1st day of January each year and shall end on the 31st day of December next following, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Seal. The Board may by resolution provide a corporate seal that shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the words "Seal" or "Corporate Seal."

ARTICLE XVIRULES AND REGULATIONS

Section 1. Rules and Regulations. The Board may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Property, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, the Covenants, or these By-Laws. Without limitation, such rules and regulations may include establishment of reasonable fees for guests or for special use of facilities in the Common Area, definition of the times and conditions of use of facilities in the Common Area and reasonable charges or fines for failure to observe the terms of this Covenants or the rules and regulations. Upon request of any Owner, such Owner shall be provided a copy of the rules and regulations or the Covenants, provided that the Board of Directors may charge a reasonable fee to cover any reproduction, mailing or administrative costs involved.

ARTICLE XVIINOTICES

Section 1. Notices. Notices required hereunder shall be deemed given when in writing and delivered by (a) hand, (b) private or public carrier that provides evidence of delivery, with delivery charges prepaid, (c) facsimile, in which event receipt shall be the date of electronic or written confirmation of receipt, (d) if within the United States, five (5) calendar days after being deposited in the United States Mail, First Class, postage prepaid, or (e) registered or certified mail, return receipt requested, in which event receipt shall be the date the receipt is signed. All notices to Members shall be delivered or sent to such addresses or facsimile telephone numbers as have been

provided in writing to the Association, or if no address had been provided, then at the address of any completed Residential Unit owned by such Member, or at the address then shown as that of the owner on the property tax records.

All notices to the Association shall be delivered or sent in care of the Association at:

Hidden Hills Homeowners Association, Inc.

c/o Richard Behling

The Behling Company
P.O. Box 116
St. George, SC 29477

or to such other address as the Association may from time to time notify the Owners.

ARTICLE XVIII

AMENDMENT OF BY-LAWS

Section 1. Amendment by Association. The By-Laws may be amended by approval of the proposed amendment by vote of two thirds of the then-existing Board of Directors. Notice of the proposed amendment shall be given to the Board in writing by a Director proposing the amendment and the notice shall contain a general description of the proposed amendment and the purpose of the proposed amendment. No amendment to the By-Laws that imposes or reasonably could be construed to impose a greater economic or legal burden on Declarant than exists under the then current provisions of these By-Laws shall be valid unless it is approved, in writing, by Declarant, and no amendment of the By-Laws that is contrary to this statement shall be valid.

Section 2. Amendment by Declarant. Declarant may amend the By-Laws without the consent of the Association, the Board, any Owner or any mortgagee if, in Declarant's opinion, such amendment is necessary to (i) bring any provision of the By-Laws or the Covenants into

compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination that is in conflict with the Covenants or the By-Laws; (ii) enable any title insurance company to issue title insurance coverage with respect to any Units subject to the Covenants; (iii) enable any mortgagee to make mortgage loans on any Lot or other improvements subject to the Covenants; (iv) enable any governmental agency or private mortgage insurance company to insure mortgages on the Lots subject to the Covenants; (v) enable any insurer to provide insurance required by the Covenants; or (vi) clarify any provision of the By-Laws or the Covenants or eliminate any conflict between provisions of the By-Laws and/or the Covenants.

ARTICLE XIX

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Hidden Hills Homeowners Association, Inc., State of South Carolina, 2006.