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DORCHESTER COUNTY
REGISTER OF DEEDS

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***** EXAMINED AND CHARGED AS FOLLOWS *****

Recording Fee:	\$25.00
Tax Charge:	\$0.00



Margaret Bailey

Margaret Bailey - Register of Deeds

Recorded by & Return to:
 WBD (US) LLP P.O. Box 999
 Charleston, SC 29402

DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
SHADY OAKS AND FOR PROVISIONS OF
SHADY OAKS HOME OWNERS' ASSOCIATION, INC.

THIS DECLARATION ("Declaration" or "Covenants") is made this 30th day of September, 2020, by Rolina Investments, LLC, a South Carolina Limited Liability Company, with its principal place of business at Mount Pleasant, South Carolina, hereinafter called "Company" or the "Developer".

WITNESSETH:

WHEREAS, Company is the owner of the real property in Summerville, SC described in Article II of this Declaration (hereinafter referred to as the "Property") and desires to create thereon a residential development known as Shady Oaks (the "Community"), with open spaces, roadways, landscaped areas and similar common properties for the benefit of the said Community; and

WHEREAS, Company desires to provide for the preservation of the values and amenities in said Community and for the maintenance of open spaces and Common Property; and, to this end, desires to subject the Property to the covenants, restrictions, easements, affirmative obligations, charges and liens hereinafter set forth (hereinafter referred to as the "Covenants"), each of which is hereby declared to be for the benefit of the Property and each owner of any part thereof; and

WHEREAS, Company has deemed it desirable, for the efficient preservation of the values and amenities in said Community, to create an agency to which should be delegated and assigned the authority to maintain, administer and enforce the Covenants governing the same and to collect and disburse all assessments and charges necessary for such maintenance, administration and enforcement, as hereinafter created; and

WHEREAS, Company has caused or will cause to be incorporated under the laws of the State of South Carolina, as a non-profit corporation, Shady Oaks Home Owners Association, Inc. for the purpose of exercising the functions aforesaid and which are hereinafter more fully set forth.

NOW, THEREFORE, Company declares that the Property and such additions thereto as may hereafter be made pursuant to Article II hereof are and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the Covenants.

ARTICLE I
DEFINITIONS

1. The following words and terms, when used in this Declaration or any Supplemental Declaration (unless the context clearly shall indicate otherwise), shall have the following meaning:
 - a. "Association" means the Shady Oaks Home Owners Association, Inc., a South Carolina non-profit corporation.
 - b. "Builder" means any person or entity approved by Developer who purchases one or more Units for the purpose of constructing improvements for later sale to consumers in the ordinary course of the Person's business. Without limiting the foregoing, D.R. Horton, Inc. ("Horton") is hereby approved and designated as a Builder under these Covenants.
 - c. "Common Property" means those areas of land with any improvements thereon which are deeded to the Association and designated in said Deed of Conveyance as "Common Property". The term "Common Property" may include any personal property acquired by the Association if said property is designated as "Common Property" and may also include access roads or rights of way conveyed within such deed designated as "Common Property". All Common Property is to be devoted to and intended for the common use and enjoyment of the owners of the Property (subject to any fee schedules and operating rules adopted by the Association).
 - d. "Company" means Rolina Investments, LLC, a South Carolina Limited Liability Company, its successors and assigns.
 - e. "Dwelling Unit" means any building situated upon the Property intended for use and occupancy by a single family.
 - f. "Lot" means any improved or unimproved parcel of land shown upon any recorded final subdivision map of any part of the Property with the exception of Common Property as heretofore defined.

g. "Member" means all those Owners who are Members of the Association as provided in Article III hereof.

h. "Owner" means the owner of record, whether one or more persons, firms, associations, corporations or other legal entities of the fee simple title to any Lot or Dwelling Unit situated upon the Property, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the Mortgagee unless and until such Mortgagee has acquired title pursuant to foreclosure proceeding or any proceeding in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

i. "Property" means the existing Property described in Article II hereof and additions thereto, as are subjected to this Declaration or any Supplemental Declaration under the provisions of Article II hereof.

ARTICLE II PROPERTY

1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, leased and occupied, subject to the Covenants, is located in Shady Oaks Townhomes, Dorchester County, South Carolina, and is more particularly described in Exhibit "A" hereto attached and by reference incorporated herein. All of the real property hereinabove described shall hereinafter be referred to as "Property". The Company intends to develop the Property in accordance with a Plat of the Property dated and recorded in the Office of the Register of Deeds for Dorchester County, South Carolina, in Plat Book N at Page 9 (the "Plat"). However, the Company reserves the right to review and modify the Plat from time to time based on its continuing research and design program. Unless otherwise stated therein, the aforesaid Plat shall not bind the Company, its successors and assigns, to adhere to the Plat in the development of the land shown thereon. Subject to its right to modify the Plat as stated herein, the Company will convey any Common Property shown on the Plat to the Association as provided in Article IV, Section 2. The Company shall be free to develop such portions or sections of the lands depicted on the plat, as it deems in the reasonable exercise of its discretion, to be in the best interest of the entire development without regard to the relative location of such portions or sections within the overall plan. It shall not be required to follow any predetermined sequence or order of

improvements and development. It may bring within the plan of the Covenants additional lands and develop the same before completing the development of the Property.

2. Mergers. Upon a merger or consolidation of the Association with another association as provided for in the Bylaws of the Association, its properties, 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 corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property, as herein provided.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS
IN THE ASSOCIATION

1. Membership. The Company and every Owner (as herein defined) shall be a member of the Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a member of the Association.

2. Voting Rights. The Association shall have two (2) classes of voting membership:
CLASS "A". The Class "A" Members shall be all those Members as defined in Article III, Section 1, with the exception of the Developer. When there is more than one Owner (as herein defined) of any single Lot or Dwelling Unit on the Property, all such Owners shall be Members and the vote for such Lot or Dwelling Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Dwelling Unit. When one or more co-owners sign a proxy or purport(s) to vote for his, her or their co-owners, such vote shall be counted unless one or more of the other co-owners is/are present and object(s) to such vote or, if not present, submit(s) a proxy or object(s) in a writing delivered to the Secretary of the Association before the voting is counted. If co-owners disagree as to the vote, the vote shall be split equally among the co-owners.

CLASS "B". The Class "B" Member shall be the Developer. Until all the Lots and Dwelling Units within Shady Oaks shall have been sold by the Company and by Horton, the Class "B" Member shall be entitled to one vote, plus one additional vote for each vote held by a Class "A" Member. The total vote of the Association shall consist of the sum of the votes of Class "A" Members and of the votes of the Class "B" Member. The Class "B" Membership may, at the Developer's option, cease to exist upon sale of all of Company's and Horton's Lots and/or Dwellings located on the Property.

3. Roberts Rules of Order. So long as not in conflict with applicable South Carolina Law, the Articles of Incorporation, or these Covenants, the Roberts Rules of Order shall govern the conduct of Association proceedings.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTY

1. Member's Easements of Enjoyment. Subject to the provisions of these Covenants and the Rules and Regulations of the Association, every Member shall have a right and easement of enjoyment in and to any Common Property and such easement shall be appurtenant to and shall pass with the title of every Lot or Dwelling Unit.

2. Title to Common Property. The Company may retain the legal title to the Common Property, if any, until such time as it has completed improvements thereon, if any, and until such time as, in the opinion of the Company, the Association is able to maintain the same, but notwithstanding any provision herein, the Company hereby covenants, for itself, its successors and assigns, and it shall convey any Common Property to the Association within one (1) year from the time the improvements are completed. Said Common Property may be conveyed subject to all restrictive covenants of record.

3. Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

a. The right of the Association, in accordance with its Bylaws, to borrow money for the purpose of improving the Common Property and in aid thereof to mortgage said Common Property; and

b. The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosures; and

- c. The right of the Association, as provided in its Bylaws, to suspend the enjoyment of rights of any Member for any period during which any assessment remains unpaid and for any infraction of its published Rules and Regulations for any period not to exceed thirty (30) days or until the infraction ends (whichever is longer in time). Any suspension for either non-payment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver of discharge of the Member's obligation to pay the assessment; and
- d. The right of the Association to charge reasonable admission and other fees for the use of the Common Property and/or facilities therein; and
- e. The right of the Company or the Association to dedicate or transfer to any public or private utility, utility easements on any part of the Common Property; and the right of the Association to give or sell all or any part of the Common Property, including leasehold interest to any public agency, authority or utility or private concern for such purposes and subject to these Covenants and subject further to such conditions as may be agreed to by the Members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such dedications, transfer and determination as to purpose and conditions shall be authorized by the vote of Two-Thirds (2/3) of the vote at a duly called meeting and unless written notice of the proposed agreement and action thereunder is sent to every Member at least thirty (30) days in advance of any action taken. A true copy of such resolution, together with a certificate of the result of the vote taken thereon, shall be made and acknowledged by the President or Vice-President and Secretary or Assisting Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Property, prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the membership.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments. Each Owner shall, by acceptance of a deed to any Lot or Dwelling Unit on the Property, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms of these Covenants and to pay to the Association (1) Annual Assessments

or charges; and (2) Special Assessments for the purposes set forth in Section 4 of this Article. Such assessments shall be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Assessments, together with such interest thereon and costs of collection therefore as hereinafter provided, shall be a charge and continuing lien on the land and all the improvements thereon against which each such assessment is made. Each such assessment, together with reasonable attorney's fees as hereinafter provided, shall also be the personal obligation of the person who was the Owner at the time when the assessment fell due. In the case of co-ownership of a Lot or Dwelling Unit, all of such Co-Owners shall be jointly and severally liable for the entire amount of the assessment.

2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the following purposes:

- a. Improvements, maintenance and operation for the Common Property, including, but not limited to, payment of taxes and insurance thereon, repairs, mailbox area, walking areas, entrance area, pond area, street lighting, planting of trees and ground covers, replacements and additions thereto and for the cost of labor, equipment, materials, management and supervision thereof.
- b. Management fees to any manager selected by the Association.
- c. Security patrols of type and scope to be determined by the Association.
- d. General administrative expenses of the Association.
- e. Any other recurring expense of the Association which the Members shall approve in the manner set forth for a Special Assessment in Section 4 of this Article.
- f. Any blanket, fire and casualty insurance policy covering all of the Dwelling Units as may be determined by the Association.
- g. Reserves for the above listed costs or possible future costs, including but not limited to, maintenance of roadways and common area utilities.
- h. Any pest, termite, power washing or any other maintenance agreed upon for benefit of all association members.
- i. Yard maintenance of property to include cutting, edging, of private grassed areas. Pine straw replacement in spring and fall of each year. Homeowner will be responsible for all over seeding or sod replacement as well as tree/shrub or flower replacement. If

home/yard is inaccessible on date service is provided a replacement date WILL NOT be provided.

j. Once a year exterior power washing will be performed each spring, notice will be supplied to homeowner at least 48 hours in advance, if home/yard is inaccessible on date service is provided a replacement date WILL NOT be provided.

The Special Assessments shall be used for the purposes set forth in Section 4 of this Article.

3. **Basis and Maximum of Annual Assessments.** The annual assessment will start at the monthly rate of \$95, to be collected annually. From and after the 1st day of September, 2020, the annual assessment may be increased each year by a percentage not to exceed the increase in the Consumer Price Index - United States City Average for Urban Wage Earners and Clerical Workers, All Items (1967 = 100) United States Department of Labor. In the event the Bureau of Labor Statistics shall cease to publish the aforesaid index in its present form or to calculate it on the present basis, a similar index or an index reflecting similar changes in the cost of living shall be chosen by a majority of the vote of the Class "A" Members at the Annual Meeting. Notwithstanding the above, the Association, by Two - Thirds (2/3) of vote of the Class "A" Members at the Annual Meeting may increase the annual assessments by a greater amount.

Further, there shall be a \$275 transfer fee payable to the Association for any transfer and/or conveyance of a Lot or Dwelling Unit, trusts and transfers by Builders are exempt from fee.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the annual assessment for any year at a lesser amount, but such action shall not constitute Waiver by the Association of its right to revert to the full assessment for the remaining year or years of the then current period fixed as provided in the preceding paragraph.

4. **Special Assessments for Improvements and Additions.** In addition to the annual assessments authorized by Section 3 hereof, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Property, including the necessary fixtures and personal property related thereto or additions to the Common Property, provided that any such assessment shall have

the assent of two-thirds (2/3) of the vote at a duly called meeting of Members, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

5. Change in Basis and Maximum of Annual Assessments upon Merger or Consolidation. The limitations of Section 3 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under the Bylaws of the Association.

6. Quorum for Action Authorized. The presence at the meeting of Members or of proxies entitled to cast a majority of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at a meeting, another meeting may be called subject to the notice requirement set forth in Section 4.

7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. The first annual assessment shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable the first day of January of said year. The amount of the annual assessment which may be levied for the balance of the calendar year in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof, as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the properties now subject to assessment at a time other than the beginning of any assessment period. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot or Dwelling Unit for each assessment period and shall, at that time, prepare a roster of the Property and assessments applicable thereto which shall be kept in the Office of the Association and shall be open to inspection by any Owner. Written notice of the

assessment shall thereupon be sent to every Owner subject thereto. The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

9. Effect of Non-Payment of Assessments; the Personal Obligation of the Owner; the Lien; Remedies of the Association. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall (together with interest thereon at the rate established by the Board, but not to exceed the maximum rate permitted by law, from the due date and cost of collection as hereinafter provided) become a charge and continuing lien on the Lot and all improvements thereon, against which each assessment is made, The personal obligation of the Owner at the time of the assessment to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass as a personal obligation to his successors in title unless expressly assumed by them; provided, however, that the lien on the Lot and all improvements thereon shall continue as such on the conveyance of said Lot and/or improvements until satisfied. If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner(s) personally obligated to pay the same or to foreclose the lien against the property and there shall be added to the amount of such assessment, all attorneys fees, including, but not limited to, the costs of preparing and filing the Complaint in such action and, in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court, together with the costs of the action.

10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Property subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Property in a foreclosure proceeding or a deed in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

11. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration, as well as any lots not yet built upon, shall be exempted from the assessment, charge and lien created herein:

- a. Any grantee that is given an interest for the purpose of a granting utility easement.
- b. All properties to the extent of any utility easement therein other than a utility easement dedicated and accepted by the local public and/or private authority and devoted to public use which does not adversely affect the owner's use of the property;
- c. All Common Property as defined herein;
- d. All properties exempted from taxation by the laws of the State of South Carolina, upon the terms and to the extent of such legal exemptions except properties which may be exempt for religious, charitable or educational reasons;
- e. All property owned by the Company or by any Builder.

12. In the event that the Common Property is conveyed to the Shady Oaks Home Owners Association, no assessments shall be imposed under Section 2(a) of this Article V.

13. Unless (a) all of the Dwelling Units shown on the Plat have certificates of occupancy issued thereon and have been conveyed to Owners other than Builders, and (b) Developer no longer owns any of the Property, the Developer in its sole discretion may elect to waive, forgive or otherwise eliminate that Owners obligation to pay Assessments or delay imposition of any type of Assessment on the new Owner, in part or in full; provided that Developer either (1) pays the applicable Assessments attributable to the Lot during this time, or (2) pays the current deficit, if any, between the Association's actual operating expenses and the sum of the assessments collected by the Association in any fiscal year, including the portion of the current deficit that is a result of any waiver of the Assessments by Developer.

14. Until such time as all of the Dwelling Units shown on the Plat have certificates of occupancy issue thereon and have been conveyed to Owners other than Builders, the Association, at its sole cost and expense (subject to payment of Assessments by Owners as set forth herein, and the payment by the Developer of any deficit between the Association's actual operating expenses and the sum of the assessments collected by the Association in any fiscal year), shall operate and maintain the Common Area and provide the requisite services in connection therewith. It shall further be the responsibility of the Developer to

maintain all entrances including entrance signs, roads and parking areas within the Community that are not maintained by some other entity, lights, sprinklers, shrubs, and to pay the cost of utility bills and other such requisite services in connection with the maintenance of the above. Unless located on a Lot or accepted by another responsible party (including without limitation public bodies, governmental bodies, districts, agencies or authorities), all roadways and parking areas within the Community, whether located on Common Area or otherwise, shall be maintained by the Association. The maintenance, operation, and repair of the Common Area shall include, but not be limited to, repair of damage to pavements, roadways, walkways, outdoor lighting, buildings, if any, recreational equipment, if any, fences, storm drains, and sewer and water lines, connections, and appurtenances, except when such responsibilities are accepted by responsible parties, including public bodies, governmental bodies, districts, agencies or authorities.

ARTICLE VI

LOT DEVELOPMENT CRITERIA

1. Approval. Except as provided herein, no structure shall be erected, placed or altered on the Lot unless such structure shall have been approved in accordance with the architectural review provisions of these Covenants, or exempted from this Article VI. Notwithstanding the foregoing, the Developer reserves the right to exempt a Builder, and does hereby expressly exempt Horton, as an approved Builder, from the architectural review provisions of these Covenants (including the provisions of this Article VI), and authorizes Horton, and any other Builder similarly exempted and approved by the Developer, to construct or modify any Improvements without submitting Plans to the Board of Directors, the Association or any architectural review board or authority appointed or designated by Developer, the Board of Directors, or the Association (an "Architectural Review Board").

2. Minimum Size. No plans will be approved by the Developer unless the proposed Dwelling Unit has a minimum of 1200 square feet of enclosed dwelling area. The term "enclosed dwelling area" as used herein means the total enclosed heated area within a Dwelling Unit, but excluding garages, boat sheds, terraces, decks, open or shed-type porches and similar areas, even though attached to the Dwelling Unit. A screened porch

shall be deemed a part of the enclosed dwelling area if, in the opinion of the Architectural Review Board, the roof of such porch forms an integral part of the roof line of the main Dwelling Unit or if it is on the first living floor of a two-story structure.

3. Building Height. Unless expressly approved by the Developer, no structure constructed on the Lot shall be more than three (3) stories in height above the minimum height established by applicable flood zone regulations of the United States. For purposes of this paragraph, the first level or deck underneath a Dwelling Unit built approximately at or above grade and used for parking shall not be considered a "story".

4. Backs and Common Walls. Because of the characteristics of townhouse architecture, no building set back lines are established by these Covenants. Dwelling Units to be constructed on contiguous lots may have common party walls and the Developer may require that a Dwelling Unit share a common party wall with a specified contiguous lot or lots. The Developer, however, reserves to itself, its successors or assigns, the right absolutely to control and decide the precise location of any Dwelling Unit provided, however, that such location shall be determined only after reasonable opportunity is afforded to the Owner to recommend a specific site.

5. Common Wall Rules. If a Dwelling Unit constructed on the Lot has a common party wall with a Dwelling Unit on a contiguous lot, the following restrictions shall apply:

a. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the lots and placed on the dividing line between the lots shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls shall apply thereto.

b. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall.

c. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it and, if the other Owners thereafter make use of the wall, they shall contribute equally to the cost of restoration without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. Insurance proceeds received as a result of a loss under this section shall be applied to the repair or reconstruction of the damaged property. In no event

shall Developer be liable for the repair or reconstruction of any Lot, Dwelling, or any other structure or improvement after Developer has conveyed its interest therein. Neither Developer nor Association is required to maintain insurance of any nature on any Lot or Dwelling Unit after such Lot or Dwelling Unit has been conveyed by Developer.

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

e. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall be an obligation running with the land and shall pass to said Owner's successors in title.

f. Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Article, each party shall, at its own cost, choose one arbitrator, which arbitrator may be the same for all parties. If only two parties exist and they choose different arbitrators who cannot reach a mutually acceptable decision, the two arbitrators shall choose a third arbitrator, the cost of which shall be shared equally by the parties. The decision of the majority of all the arbitrators shall be final and conclusive of the question involved.

6. Rules and Regulations. Rules and Regulations for the governing of the Property may be adopted, supplemented, altered or amended by the Developer at any time so long as the Developer owns any Lot or Dwelling Unit.

7. Garages. Garage shall be allowed on any Lot of the Property. If garages are to be erected on any Additional Property, such garages shall not be more than two (2) stories in height. Any garage to be erected, constructed, or placed upon any Lot must be approved in advance and in writing by the Architectural Review Board. All garages allowed must be permitted through Dorchester County building department and exterior colors and trim must match existing home colors on same lot. All doors must be white in color

8. Detached Structures. No detached outbuilding or other structure shall be erected on any Lot within the Property. If detached structures are to be erected on any Additional Property, such structures shall not be more than two (2) stories in height and must be attached to the rear of 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 advance and in writing by the Architectural Review Board.

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

10. **Swimming pools.** No swimming pools may be erected or constructed on any Lot. This provision does not prohibit the temporary use of wading pools, a/k/a “kiddie pools,” provided such pools are not permanently affixed to the Lot, are no greater than twelve inches in water depth, are removed and stored indoors nightly, and comply with any other rules set forth from time to time by the Association.

11. **Obstructions of View at Intersections and at Driveway, Entrances to Streets.** An Owner shall not permit vegetation on the Owner’s Lot to grow in a place or in a manner that obstructs a driver’s view of the Property’s streets, street intersections, or of driveway curb cuts so as to pose a safety hazard.

12. **Delivery Receptacles and Property Identification Markers.** The Architectural Review Board shall set the standards for 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.

13. **Completion of Construction.** The Architectural Review Board 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 one (1) year from the date of commencement of construction.

14. **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 indoor household pets (such as parakeets, fish, hamsters, gerbils) may be kept; provided, however, that they are not kept, bred, or maintained for commercial purposes. “Reasonable Number” shall mean not exceeding three (3) pets outdoors at any time. Any household pet must not constitute a nuisance or cause unsanitary conditions. Any such pets shall be securely contained upon the Owner’s Lot so as to prevent them from trespassing on other Lots in the Property. All applicable local laws or regulations, including leash laws, shall be observed. From time to

time the Association may impose rules and regulations to govern the maintenance of pets within the Property.

15. **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.

16. **Signs.** No advertising signs or billboard shall be erected upon any Lot. This restriction shall not apply to signs used to identify and advertise the Property as a whole, or to signs for selling Lots or Dwellings built thereon; provided that such signs are approved by the Architectural Review Board or erected on a Lot owned by a Builder. No "For Rent or Lease" signs may be placed in yards or windows at any time. 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 Review Board.

17. **Fences.** Absolutely no fences of any kind shall be erected or begun on any Lot without the prior written approval of the Architectural Review Board unless constructed by a Builder upon a Lot owned by such Builder. Materials, height, and location are subject to approval in accordance with this section. No chain link fences may be permitted on any Lot. No fence shall exceed six (6) feet in height. No fences that back up to community ponds, lakes, sidewalks, or walking trails can be more than four (4) feet in height and must start at the rear corners of the applicable Dwelling. Other fences, such as privacy fences, shall be of a shadowbox design. Any other type of fence must be of a decorative design as established by the Architectural Review Board. Developer, Builders and Association are exempt from fencing style requirements. Any Fences approved will have to allow rear yard access of no less than five (5) feet of level ground access for homeowner and maintenance access of all homes in building.

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

19. Holiday/Decorative lights. Lights on the exterior of any Dwelling shall be allowed from the Monday following Thanksgiving till January 15th.
20. Clothes lines. Clothes lines on any Lot are prohibited.
21. Antennae, Satellite Dishes and Disks. Antennae, satellite dishes and disks, ham radio antennae, and all other antennae for use in electronic and/or radio transmission on any Lot are prohibited except for small television antennae not exceeding 18 inches in diameter and attached to or immediately adjacent to the rear of any Dwelling.
22. All garbage cans must be kept at the rear of the Lot. All cans may be placed at the front curb the night before scheduled collection and shall be placed at the rear of the Lot by nightfall on the day of collection. No garbage receptacle shall be stored on the front of the exterior of a Dwelling at any time. Garbage Cans can be stored on side of property if hidden with enclosed fence structure, this must be located in the rear 50 (fifty) percent of the side of home. Design must be approved by Architectural Review Board prior to installation except upon Lots owned by Builders.
23. 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 any Dwelling or structure. Basketball goals or hoops may be placed on a Lot only to the rear of a Dwelling or structure. 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 Dwellings and structures and shall not be placed or kept in front or side yards.
24. 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 kinds, shall be kept, stored or parked overnight either on any street or on any Lot, except within a fully enclosed garage or behind the Dwelling, 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, if any exists, without regard to items other than vehicles stored in 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, or trailer or motor home for a period not to exceed forty-eight (48) hours on the street or on any Lot.

25. 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 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.

26. No temporary window shades or blinds are allowed at any time. This shall include but not limited to any bedding, bath and paper coverings.

27. 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 or surrounding Lots, unless approved in writing by the Architectural Review Board and reasonable accommodation is made for the negative impact on surface grade of surrounding Lots.

28. Tanks. Fuel oil and gas tanks may not be installed on any Lot. Small fuel containers for lawn mowers, gas grills, and like implements may be kept on Lots obscured or screened from view of adjacent Lots and streets.

29. Insurance Obligations. The Association is only obligated to obtain and maintain property insurance on the insurable Common Area, liability insurance on the Common Area, and insurance on the Board of Directors and Officers of the Association in amounts as the Association deems desirable in its own discretion. All premiums for such insurance shall be a common expense payable through assessments levied by the Association. All proceeds shall be made payable to the Association and used to repair, replace, or compensate the property or liability for which the insurance was carried. If a claim arises out of or as a result of the actions or omissions of an Owner, Owner's family members, or tenant, guest, invitee, or agent and the claim proceeds payable to the Association are subject to a deductible, the Association shall have the right (but not the obligation) to pursue payment or reimbursement of the deductible from the party responsible for the damage giving rise to the claim. If an Owner does not reimburse the Association for the insurance deductible or other expense within thirty (30) days of demand thereof, the Association shall

have the power and authority to assert an assessment lien against such Owner. The Association may obtain insurance against such other risks of a similar or dissimilar nature, as it shall deem appropriate with respect to the Association's responsibilities and duties.

It shall be the responsibility of each Owner, at such Owner's expense, to maintain all perils insurance (including, but not limited to, flood, if applicable, wind, hail, fire, and general hazard) on such Owner's real and personal property and furnishings. Such insurance must be for full replacement value using materials at a quality and durability equal to, or greater than, materials used at time of initial construction and without any consideration for depreciation. Such insurance must also provide public liability coverage for the Owner's Lot and Dwelling Unit, and all of the Owner's other real and personal property. Any insurance obtained by an Owner must include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners, including Developer should Developer be the Owner of any Lot.

ARTICLE VII

GENERAL PROVISIONS

1. Duration and Amendments. The Covenants shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Developer or the Owner(s) of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded. Thereafter, the Covenants shall be automatically extended for successive periods of ten (10) years unless three-fourths (3/4) of the Owners approve the termination of the Covenants. The Covenants may be amended at any time if three-fourths (3/4) of the Members vote at a duly called meeting of the Association to approve the change. No such approval to change shall be effective unless obtained in advance of the effective date of such change and unless written notice of the meeting called for such purpose is sent to every Owner and the Developer (if during the Developer Control Period, as defined herein) at least thirty (30) days in advance of said meeting. Notwithstanding anything contained in this Declaration to the contrary, during the Developer Control Period, Developer, its successors or assigns, shall have the right to unilaterally amend any provision of this Declaration (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation, or judicial

determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, the Department of Housing and Urban Development, the Veterans Administration, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on Units subject to the Declaration; or (d) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee mortgage loans on the Dwelling Units subject to the Declaration; however, any such amendment shall not adversely affect title to any Dwelling Unit unless such Unit's Owner consents in writing. Further, during the Developer Control Period, Developer may unilaterally amend the Declaration for any other purpose; provided, however, that any such amendment shall not materially adversely affect the substantive rights of any Owners hereunder, nor shall it adversely affect title to any Control Unit, without the consent of the affected Owner(s). Each Owner by acceptance of a deed or other conveyance to a Dwelling Unit, agrees to be bound by such amendments as are permitted by this Section. The Developer shall not, by reason of the power herein reserved, have the right to alter the amount or method of making annual or special assessments. Developer's control period under this Declaration shall expire one hundred twenty (120) days after the final certificates of occupancy have been issued for all Lots subject to this Declaration and all Lots have been conveyed to Owners other than Builders (the "Developer Control Period").

2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent and notice thereby given when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot or Dwelling Unit shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address.

3. Enforcement. Enforcement of the Covenants shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any

covenant or restriction, either to restrain violation or recover damages and against the land to enforce any lien created by these Covenants and failure by the Association or any Owner or the Developer to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce the same thereafter.

4. Severability. Should any covenant or restriction herein contained or any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable for any reason by the adjudication of any court of other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

5. Assignability. The Developer reserves the right to assign its rights and obligations hereunder to any corporation, partnership, individual or other entity which it may deem appropriate without the approval of the Association or the Owners. Notwithstanding the foregoing or anything to the contrary herein, upon the conveyance by the Company of all of its Lots within the Property, Horton shall automatically and without further action of the Company, the Association, Horton, or any other Owners, become the "Developer" under this Declaration provided that Horton then owns any Lot within the Property, and Horton shall remain the Developer until the expiration of the Developer Control Period. The provisions of the foregoing sentence shall not be amended or rescinded except with the prior written consent of Horton which may be granted or withheld in its sole discretion.

6. Architectural Review Board. The Board of Directors of the Association shall designate the number of, and appoint the members of, the Architectural Review Board on an annual basis. No improvements shall be undertaken on any Lot, except by the Developer and/or its agents, or by an approved and exempted Builder (which expressly hereby includes Horton) without the written consent of the Architectural Review Board. The Board of Directors may, from time to time, adopt rules of procedure for the Architectural Review Board.

7. Conveyance of Developer Rights. The Developer reserves the right to convey any approval rights it may have under the Covenants to the Association at such time as it, in its sole discretion, may determine to be appropriate, except that notwithstanding the foregoing

or anything to the contrary herein, the Company shall not convey such rights to the Association without the prior written consent of Horton, which may be granted or withheld in its sole discretion, until such time as Horton has conveyed all of its Lots within the Property. The provisions of this Section shall not be amended or rescinded except with the prior written consent of Horton which may be granted or withheld in its sole discretion.

8. So long as Developer owns Lot, Developer shall have the right to maintain model home(s) for sales purpose notwithstanding any restrictions contained herein. So long as Horton owns Lot, Horton shall have the right to maintain model home(s) for sales purpose notwithstanding any restrictions contained herein.

[Signature Page Follows]

EXHIBIT A**Real Property Description**

All those certain lots, pieces, or parcels of land, with the buildings and improvements thereon, situate, lying and being in Shady Oaks Subdivision, Dorchester County, South Carolina, known and designated as **Lots 1-135 (inclusive), HOA Tract #1, HOA Tract #2, HOA Tract #3, HOA Tract #4, HOA Tract #5, HOA Tract #6, and Spencer Circle 50' R/W** on a plat entitled "FINAL SUBDIVISION PLAT OF SHADY OAKS SUBDIVISION AND NEW EASEMENT ON TMS 153-14-01-053 DORCHESTER COUNTY, SOUTH CAROLINA" by Robert L. Arrington, SCPLS. No. 19889, of RLA Associates, P.A., dated June 22, 2020 and recorded on July 30, 2020 in Plat Book N at Page 9 in the ROD Office for Dorchester County. Said lots having such size, shape, dimensions, buttings and boundings as reference to said plat would more fully and at large appear.

Portions of TMS # 153-00-00-007

ALSO

ALL that certain piece, parcel or lot of land, together with the buildings and improvements thereon, situate, lying and being in Calamet Valley, County of Dorchester, State of South Carolina, and being more particularly shown and designated as Lot 22, Block C, on a plat entitled "Calamet Valley", dated June, 1957 and of record in the RMC Office for Dorchester County in Plat Book 12, at Page 68; said lot having such boundaries, metes, causes, and distances as delineated on said plat.

TMS # 153-14-01-053

Being the same property conveyed unto Rolina Investments, LLC by deed of Banks Investments, LLC dated July 13, 2018 and recorded on July 19, 2018 in Book RB 11457 at Page 255 in the ROD Office for Dorchester County and by deed of Southwind Homes, LLC, dated July 18, 2018 recorded on July 19, 2018 in Book RB 11457 at Page 261 in the ROD Office for Dorchester County and re-recorded on August 14, 2018 in Book RB 11500 at Page 11 in the ROD Office for Dorchester County.