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DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
THE RESERVE AT RIVERSIDE

2001 OCT 25 12 3 07

This Declaration of Covenants, Conditions, Restrictions and Easements is made this 25th day of October, 2001, by The Reserve at Riverside, LLC, a South Carolina limited liability company, and its successors and assigns, "Declarant," as hereinafter defined, with respect to certain real property owned by Declarant, being known and referred to as The Reserve at Riverside, as more particularly described hereinafter, the "Development."

WHEREAS, Declarant is the owner of certain real property and easements with improvements thereon in Greenville County, South Carolina, which is more particularly described in Article II hereof, the "Development," as hereinafter defined; and

WHEREAS, Declarant 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 real property described herein, and such additions thereto as may by hereafter made pursuant to Article II hereof, 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 real property and be binding on all parties having any right, title, or interest in the described 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 Reserve at Riverside Homeowners' Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

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2. "By-Laws" means the by-laws of the Association, the initial form of which are marked Exhibit A and attached to this Declaration. Amendments to the By-Laws shall not be required to be recorded to be effective.

3. "Common Area" means all real property (including improvements and fixtures thereon or 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 Easement Areas, 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 43-T at Page 25 A&B, in the Office of the Register of Deeds for Greenville County, South Carolina ("Register of Deeds"), and those areas that are subject to that certain Storm Water Management Easements, Option & Storm Water Management Association Agreement recorded in the Register of Deeds in Deed Book 1962 at Page 1761 ("Storm Water Agreement"), and that certain Wetlands Mitigation Easement ("Wetlands Easement") recorded in Deed Book 1967 at Page 44 all of which shall be and are covenants running with the land at law.

4. "Declarant" means and refers to The Reserve at Riverside, 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 The Reserve at Riverside, 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 The Reserve at Riverside, a single-family residential development proposed to be developed by the Declarant on one or more of the Properties.

7. "Easement Area" means and includes those areas subject to easements for sewer, storm water, storm drain, detention pond and the like areas and facilities as shown on any of the Plats.

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. "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 "The Reserve at Riverside, Phase I," prepared by Sinclair & Associates, Inc., dated August 14, 2001, recorded in

Association in future stages of development, without the consent of Owners, the Association or its Members, provided that (a) such additions occur within six (6) years after the date of the filing of this Declaration; and (b) such additions are determined by the Federal Housing Administration and the Veterans Administration to be in accord with the general plan heretofore approved by them, as applicable.

The Additional Properties shall be made subject to this Declaration and the jurisdiction of the Association by filing one or more Amendments to this Declaration and associated Plats with respect to such Additional Property or Properties 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 Properties 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 Properties 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 Plat I Property, and such voting rights shall commence as of the date of the filing of the Amendment to this Declaration concerning such Additional Property.

Article III Property Rights

1. Ownership of Common Areas and Easements over the Easement 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, as amended by the addition of Additional Property, Declarant shall convey the Common Areas, Easements, and Easement 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. 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. 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.

2. Owners' Rights to Use and Enjoy the Common Areas. Each Owner shall have the non-exclusive, 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;
- (e) the obligation of each Owner to pay assessments as set forth in this Declaration;
- (f) the terms and conditions of the Wetlands Agreement and the Storm Water Agreement.

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 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. Cul-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 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 three (3) votes for each Class B Lot owned by it. The Class B Lots shall be converted to Class A Lots when the total votes outstanding in the Class A Lots equals the total votes outstanding in the Class B Lots.

3. Availability of Documents. 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, obligations, 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, and landscaping, hardscaping and landscape furniture, greenways, if any, private roads, streets and sidewalks, common walks, signs, landscaping, irrigation systems and storm water and drainage easements located within the Common Areas, storm water easements pursuant to the Storm Water Agreement, conditions of the Wetlands Agreement and such other amenities and facilities as may be designated as Common Areas on any Plats of the Property or Additional Properties (including, without limitation, if provided at Declarant's sole election but not as an obligation, recreational facilities such as a swimming pool, club house or cabana, playground, picnic areas or the like).

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, wetlands, and storm water facilities and appurtenances as set forth in the Storm Water Agreement and Wetlands Agreement, together with common amenities not maintained by public entities or utilities. The cost thereof shall be a part of the assessments for each Lot and shall be determined as provided in this Declaration.

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 may establish a working capital fund equal to the aggregate of two (2) months' annual assessments (as described in Article V hereof) for each Lot. If established, 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 to a party other than Declarant. 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, including without limitation for obligations under the Storm Water Agreement and the Wetlands Agreement, 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, and all improvements thereon, which the Association is obligated to maintain. Such reserve fund shall be maintained 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 Properties, 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. An Owner's 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 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;

(b) to maintain greenways 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);

(c) 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 and sewer and storm water drainage easement areas, detention ponds, wetlands, and all parts thereof, whether on Common Areas, Lots, or elsewhere pursuant to the Storm Water Agreement and the Wetlands Agreement;

(d) 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;

(e) to construct, maintain, repair, and replace all recreational and related facilities, if any, (such as swimming pool, clubhouse or pavilion, 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;

(f) to construct, maintain, repair, and replace all sewer and storm water and detention pond easement areas in a clean and orderly condition including, without limitation, landscaping and screening, silt removal, replacement and additions to rip rap and fences and the same as provided in the Storm Water Agreement;

(g) to maintain the wetlands under and pursuant to the Wetlands Easement;

(h) to maintain any improvements required by any County, State, or federal agency to be installed and maintained upon, under, or over the Common Areas;

(i) 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;

(j) 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;

(k) to pay all ad valorem taxes levied against the Common Areas and any property owned by the Association;

(l) to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the By-Laws;

(m) 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;

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

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

3. Maximum Annual Assessment. Until December 31 of the calendar year following the conveyance of the first Lot by Declarant to another Owner, the maximum annual assessment shall be One Hundred Fifty and no/100ths (\$150.00) 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) five percent (5%) 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.

(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 Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or within the Easement Areas, including fixtures and personal property related thereto; provided, that any such assessment requires the same assent 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. Notwithstanding the foregoing, so long as Declarant owns any Lots, Declarant shall pay twenty five (25%) of the otherwise applicable annual or special assessment for any such Lots until the completion of construction of a residential dwelling on such Lot. Thereafter, the Declarant shall pay one hundred percent (100%) of such annual or special assessment until such Lot is sold to another Owner.

6. 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 date set for the preceding meeting.

7. 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 for Greenville County, South Carolina. 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.

8. Effect of Nonpayment of Assessments: Remedies of the Association; Enforcement by Foreclosure. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve (12%) percent per annum. Assessments are a lien against 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 the 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.

9. 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 of residences and all other structures, outbuildings, yards and landscaping, collectively "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 on the Lot in excess of six (6) inches in diameter, such measurement to be taken four and one-half (4½) feet above grade. No subsequent alteration or modification of any existing improvements or construction or Design Details, erection or installation of additional improvements or changes 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 commencement of construction before approval by the Architectural Committee as provided in this Article shall be grounds for the Board of Directors to levy a fine against such Owner which shall be a lien against the Lot enforceable as a mortgage with filing of such lien as provided herein and to subject the Owner and the Lot to all remedies set forth in this Article in addition to any other rights and remedies available at law or in equity. 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 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 the 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, direction of facing of main elevation with respect to nearby streets, and nature and appropriateness within the community of all Design Details;
- (b) conformity and harmony of all of Design Details and the exterior design, color, type and appearance of exterior surfaces of 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 one (1) year 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 Greenville 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 forty-five (45) days after plans, specifications, and site plan therefor have been received by the Architectural Committee, 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 if they contain erroneous data or present inadequate information upon which the Architectural Committee can arrive at a decision. Notwithstanding the foregoing, the Architectural Committee 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, including without limitation, the storm water and sewer easements and Easement Areas and wetlands under the Storm Water Agreement and Wetlands Agreement that are part of the Plat I Property.

In addition thereto and not in lieu thereof, Declarant reserves the following perpetual easements:

(a) a five-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 five-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 Properties and the Lots located 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; and

(f) 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 Properties and Common Areas.

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

(h) Storm water detention pond, drainage, and maintenance access easements as shown on Plats of the Properties.

(i) Creek and Stream easements as shown on Plats of the Properties.

(j) Storm water and wetlands easements as set forth in the Storm Water Agreement and the Wetlands Agreement.

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, including, without limitation storm water and wetlands, 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 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 Greenville 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.

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 detached 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. Re-Cutting Lots; Combining Lots. No Lot may be re-cut so that it faces a street other than as shown on the pertinent Plat of the Property. Lots or portions thereof may be combined with adjacent Lots to form a larger Lot than shown on a Plat. Easements and rights-of-way reserved in Article VII shall then apply to the new exterior Lot lines.

4. Dwelling Floor Space. Each Lot shall contain no more than one residential dwelling containing 1,000 square feet of minimum floor space.

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 erected on any Lot shall be more than two stories in height. All garages shall be attached to residential dwellings.

6. Detached Structures. No detached outbuilding or other structure shall be erected on any Lot that is more than one story 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 to 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 structures on Lots during construction.

12. Completion of Construction. The Architectural Committee shall have the right to take 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.

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, 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 pets outdoors at any given time. Any household pets must not constitute a nuisance or cause unsanitary conditions. Any such pets shall be properly secured 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 on any Lot. 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, except vinyl-coated chain link with the prior written approval of the Architectural Committee, 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 only 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 vinyl fences are permitted provided they are of a design permitted hereunder.

No fence shall be erected or begun on any Lot without the prior 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. Decorative Yard Ornamentation. No decorative statutes, birdbaths, fountains, ornaments, figurines, or any other decorative structures or items are permitted in the front or side yards of any Lot.

18. 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; (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.

19. Antennae, Satellite Dishes and Disks. 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 attached garage on a Lot.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

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

28. 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.

29. 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.

30. Aesthetics, Natural Growth, Screening. Trees which have a diameter in excess of six (6") inches measured two (2') feet above ground level, and distinctive flora, shall not be intentionally destroyed or removed except with the prior written approval of the Architectural Committee.

31. 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, fines 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 prior to January 1, 2011, only by an instrument signed by the Owners of not less than ninety (90%) percent of the Lots and by the Declarant, so long as the Declarant owns any Lots. After January 1, 2011, this Declaration may be

amended by an instrument signed by the Owners of not less than seventy-five (75%) percent of the 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, 2015, 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 this 25th day of October, 2001.

Witness:

Matthew L. Selmer
Jean G. Hathaway

The Reserve at Riverside, LLC

By: LandCraft Properties, Inc., Managing

Member

By: Dawn Powell Jellison

Title: A.V.P.

And: [Signature]

Title: E.V.P.

STATE OF NORTH CAROLINA)

)

PROBATE

COUNTY OF MECKLENBURG)

Personally appeared before me the undersigned witness, who says on oath that (s)he saw the within named officers of LandCraft Properties, Inc., as Managing Member of The Reserve at Riverside, LLC, a South Carolina limited liability company, sign, seal and as the act of said limited liability company, deliver the within written Declaration of Covenants, Conditions, Restrictions, and Easements for Spring Crossing Community, and (s)he with the other witness, witnessed the execution thereof.

Sworn to before me this
25th day of October, 2001

Matthew L. Selmer
Witness Signature

Jean G. Hathaway
Notary Public for the State of North Carolina
My comm. exp.: January 8, 2006

(SEAL)

Exhibit A
BY-LAWS
OF
THE RESERVE AT RIVERSIDE
HOMEOWNERS' ASSOCIATION, INC.

Article I
Name and Location

1. **Name.** The name of the corporation is The Reserve at Riverside Homeowners' Association, Inc., hereinafter referred to as the "Association."

2. **Location.** The principal office of the corporation shall be located in Greenville County, South Carolina. The registered office of the Association may be, but need not be, the same as the principal office.

Article II
Definitions

Unless Otherwise provided in these By-Laws, all capitalized terms used herein shall have the same definitions as provided in the Declaration. In addition, the following terms shall have the following meanings for purpose of these By-Laws.

1. **"Association"**: shall mean and refer to The Reserve at Riverside Homeowners' Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

2. **"Common Area"** means all real property (including improvements and fixtures thereon or 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 in accordance with the Declaration.

3. **"Declarant"** shall mean and refer to The Reserve at Riverside, LLC, a South Carolina limited liability company, and shall also mean and refer to any person, firm or corporation which shall also be designated as a "Declarant" by The Reserve at Riverside, LLC hereafter when such designee becomes vested with title to two or more undeveloped Lots for the purpose of causing residential dwellings to be constructed thereon, and any such successor in title to The Reserve at Riverside, LLC shall be a Declarant during such period of time as said party is vested with title to two or more such lots (whether undeveloped or developed and unconveyed), but no longer.

4. **"Declaration"** shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for The Reserve at Riverside Subdivision and applicable to the Properties, which

Declaration is recorded in the Office of the Register of Deeds for Greenville County, South Carolina in Deed Book _____ at Page _____.

5. **"Development"** shall mean and refer to The Reserve at Riverside, a single-family residential development proposed to be developed by Declarant on one or more of the Properties.

6. **"Lot"** shall mean and refer to any numbered lot of land, with delineated boundary lines, as shown on the Plats, intended for single-family residential use, but expressly excluding Common Areas, roads and streets in the Development.

7. **"Member"** shall mean and refer to every person or entity who holds membership in the Association.

8. **"Mortgage"** shall mean any mortgage constituting a first lien on a Lot.

9. **"Mortgagee"** shall mean the owner and holder of a Mortgage.

10. **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including the Declarant, if it owns any Lots.

11. **"Plat" or "Plats"** means one or more plats of the Development recorded in the Office of the Register of Deeds, as defined in the Declaration and which may be recorded by Declarant in the Office of the Register of Deeds hereafter, including but not limited to that certain plat entitled "The Reserve at Riverside, Phase I," prepared by Sinclair & Associates, Inc., dated August 14, 2001 recorded in the Office of the Register of Deeds ("ORD") in Plat Book 44-O at Page 47.

12. **"Plat I Property"** means that portion of the Property containing 4.51 acres, more or less, with Lots, Common Areas, streets and roads, all as more particularly shown on Plat I.

13. **"Properties"** shall mean and refer to the "Phase I Property" as described in Article II, Section 1 of the Declaration as well as any additional real estate which may hereafter be made subject to the Declaration and brought within the jurisdiction of the Association, as provided for in Article II, Section 2 of the Declaration.

Article III

Association Members

1. **Annual Meeting of Members.** The annual meeting of the members shall be held at the principal office of the Association, or such other location within Greenville County, South Carolina as designated by the Board of Directors, at a date and time to be set by the Board of Directors during the third or fourth week of October of each year (with the first annual meeting to occur in October, 2002, for the purpose of election of the Board of Directors and for the transaction of such other business as may be brought before the meeting. If the day set for the annual meeting is a legal holiday, such meeting shall be held on the next succeeding business day.

2. **Substitute Annual Meeting.** If the annual meeting is not held on the day designated in these By-Laws, a substitute annual meeting, may be called in accordance with the provisions of Article III, Section 3 as in the case of special meetings. A meeting so called shall be designated and treated for all purposes as the annual meeting.

3. **Special Meetings of Members.** Special meetings of the Members may be held at the principal office of the Association, or elsewhere within Greenville County, South Carolina, whenever called in writing as provided in Article III, Section 4, by the President, by any member of the Board of Directors of the Association, or by Members representing twenty percent (20%) of the membership entitled to vote.

4. **Notice of Meeting.** Notices of meetings shall be in writing, shall state the date, time and place of meeting, and shall be mailed or delivered by the Secretary to each Member of record at the member's last known address. The notice of each meeting shall be mailed or delivered by the Secretary not less than twenty (20) days nor more than forty (40) days prior to the date set for such meeting and as to special meetings, the notice shall indicate the purpose or purposes of such special meeting.

5. **Quorum.** Unless otherwise specified in the Declaration, at any meeting of the Members, twenty percent (20%) of the Members entitled to vote, present in person or represented by proxy, shall constitute a quorum of the membership for all purposes. If a quorum is not present, the meeting may be recessed by the presiding officer at the time such meeting was set and such shall be sufficient notice of the time and place of the recessed meeting. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

6. **Organization.** The President, or, in his or her absence, the Vice President, shall preside over all meetings of Members and the Secretary of the Association shall act as Secretary at all meetings of the Members; provided, however, in the Secretary's absence, the President may appoint a Secretary for the meeting of the Members.

7. **Voting.** Each Lot shall give its Owner(s) the right to one vote on each matter submitted to a vote at a meeting of Members. If more than one Owner owns a Lot, only one vote may be cast by the Owners of such Lot as Members of the Association. The vote of a majority of the Members at a duly called meeting of Members at which a quorum is at the beginning of the meeting present shall be the act of the Members on that matter, unless the vote of a greater number is required by law or by the Declaration, the Associations' Articles of Incorporation or these By-Laws. Cumulative voting shall not be allowed.

8. **Voting By Proxy.** The vote allocated to a Member may be cast pursuant to a dated written proxy signed by the Member. A Member may not revoke a proxy except by appearing and voting at a meeting in person or by written notice delivered to the President prior to a meeting of the Association. A proxy terminates one year after its date, unless it specifies a shorter term.

9. **Waiver of Notice.** Any Member may, at any time, waive notice of any meeting of Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof, except when a Member attends a meeting for the express, limited purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required to have been given and any business may be transacted at such meeting.

10. **Informal Action by Members.** Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book.

Article IV Board of Directors

1. **Number and Term of Office.** The business and affairs of the Association shall be managed by a Board of Directors of no fewer than three (3) persons, who shall be Members of the Association, or shall be designated by the Declarant so long as Declarant owns at least _____ (____) Lots in the Development. Each Director shall serve a term of one (1) year unless he dies, resigns, retires, is removed, or disqualified, or his or her successor is elected and qualified.

2. **Compensation.** No Director shall receive compensation for any service he or she may render to the Association. However, with the prior approval of the Board, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

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

4. **Election.** Except as provided in Section 5 of this Article IV, Directors shall be elected at the annual meeting of the Members by written ballot. At such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under

the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be allowed.

5. **Removal.** Any director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Directors and shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the remaining Directors by special meeting duly called as provided in these By-Laws.

6. **Action without Meeting.** The Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Directors to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Board.

7. **Meetings.** Meetings of the Board shall be held quarterly without notice, at such place and hour, as may be fixed from time to time by resolution of the Board. Special meetings of the Board may be called by any director after not less than five (5) days' notice to each Director.

8. **Quorum.** A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting shall be regarded as the act of the Board.

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

10. **Liability of the Board.** The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contracts shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, by-law, agreement, vote of Members or disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, personal representatives, guardians, and conservators of such a person.

The Association may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of

the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability.

The Association's indemnity of any person who is or was a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (a) under any policy of insurance purchased and maintained on his or her behalf by the Association, or (b) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article, or elsewhere in these By-Laws, shall operate to indemnify any Director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

11. Powers and Authority of the Board of Directors. Subject to the provisions contained in the Declaration, herein, and applicable law, the Board shall have the power and authority to exercise all of the rights and powers of the Association, including, but not limited to, the following powers:

(a) To adopt rules and regulations governing the use of the Common Areas and facilities, the personal conduct of the Members and their guests thereon, and establish penalties and fines for the infraction thereof;

(b) To suspend the voting rights and right of use of the Common Areas, including but not limited to the recreational facilities, of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association upon notice to the Member of such default; and to suspend such rights, after notice and hearing, for infraction of published rules and regulations for a period not to exceed sixty (60) days;

(c) To declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board;

(d) To employ and dismiss a manager, independent contractors, agents, or employees as it deems necessary and proper, and prescribe their duties and services, fix their compensation and require of them such security or fidelity bonds as the Board may deem appropriate;

(e) To procure, maintain, and pay premiums on, insurance policy (ies) and equitably assess the Members for their pro rata portion of such expense;

(f) To impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Areas or elements other than for service provided to Members;

(g) To employ attorneys and accountants to represent the Association when deemed necessary;

(h) To grant easements for the installation and maintenance of sewerage, utilities or drainage or wetlands facilities upon, over, under and across the Common Areas without the assent

of the Members when such easements are necessary or proper, by vote of the Board of Directors, for the convenience, use, and enjoyment of the Common Areas and Properties;

(i) To appoint and remove, at the pleasure of the Board, all of the Officers of the Association;

(j) To exercise all other powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration of applicable law;

(k) To exercise any other powers necessary and proper for the governance and operation of the Association; and

(l) To have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of South Carolina by law may now or hereafter have or exercise.

12. Duties of the Board of Directors. The Board of Directors shall have the following duties:

(a) To cause the common Areas to be constructed, maintained, repaired, and replaced as necessary, and to assess the Members to recover the cost of the upkeep of the Common Areas;

(b) To keep a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting, or at any special meeting when such statement is requested in writing by twenty five per cent (25%) of the Members;

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

(d) As more fully provided in the Declaration, to fix the amount of the annual assessment against each Lot for all items, including without limitation pro rata amounts due under the Storm Water Agreement referenced in the Declaration, at least thirty (30) days before January 1 of each year based on the projected budget for the annual assessment period;

(e) To send written notice of each assessment to every Member at least thirty (30) days in advance of the due date for each annual assessment;

(f) To foreclose any unpaid assessments, fines, and liens resulting therefrom against any Lot for which assessments or fines are not paid within thirty (30) days after due date and to bring an action in foreclosure against a Lot and/or against the Member personally obligated to pay the same, as the Board may elect;

(g) to issue, or have issued, for a reasonable charge, a certificate setting forth whether or not any assessment has been paid to or for the benefit of Members, the Board, or third parties requesting the same; provided, however, that if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(h) To procure and maintain, at all times, adequate hazard insurance on the Common Areas and other property owned by the Association and upon all other property for which the Association

has the duty to maintain, and liability insurance in such amount s may be reasonable and customary for like Associations in the area to protect the Association and officers and Directors thereof;

(i) To participate in the Storm Water Management Association on behalf of the Association under and pursuant to the Storm Water Agreement referenced in the Declaration including, without limitation, paying, on behalf of the Association the Association's pro rata obligations thereunder; and

(j) to cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as the Board may deem appropriate.

Article V

Officers

1. **Officers.** The officers of the Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

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

3. **Term.** Each officer of the Association shall be elected annually by the Board and each officer shall hold office for one (1) year or until his or her death, resignation, retirement, removal, disqualification, or his or her successor is elected and qualifies.

4. **Special Appointments.** The Board may elect such other officers as the affairs of the Association may required, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

5. **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President, or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

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

8. **Compensation.** No officer shall receive any compensation from the Association for acting as such.

9. Powers and Duties of the Officers.

(a) The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board and the Association Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and contracts and shall co-sign all checks, promissory notes and mortgages on behalf of the Association.

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

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

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Board; shall sign all checks, promissory notes, and mortgages (such checks, promissory notes, and mortgages to be co-signed by the President) of the Association; shall keep proper books of account; shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each Member.

Article VI

Books and Records

The books, records and papers of the Association (the "Records") shall at all times, be maintained at the principal office of the Association or at such other place within Greenville County, South Carolina as designated by the Board and disclosed to the Members by notice or at the annual or a special meeting. The Records shall at all times, during reasonable business hours, be subject to inspection by any Member at the location at which they are maintained, where copies may be purchased at a reasonable cost to be set from time to time by the Board of Directors.

**Article VII
Committees**

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The Association shall appoint a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

**Article VIII
Forms of Proxy and Waiver**

1. Forms of Proxy. The following form of proxy shall be deemed sufficient, but any other form may be used which is sufficient at law:

The Reserve at Riverside Homeowners' Association, Inc.

Know all men by these presents that the undersigned member of The Reserve at Riverside Homeowners' Association, Inc. (the "Association") hereby constitutes and appoints _____ the attorney and proxy of the undersigned to annual and special meetings of the members of the Association, at which I am not present, until the Secretary of the Association receives from me a letter or other written notice revoking this proxy and for and on behalf of the undersigned to vote as the undersigned would be entitled to vote if personally present, hereby ratifying and confirming all that said attorney and proxy shall do in the premises, and giving and granting unto said attorney and proxy full power of substitution and revocation.

Dated: _____

Member

Witness:

2. Form of Waiver of Notice. The following form of waiver of notice shall be deemed sufficient, but any other form may be used which is sufficient at law:

The Reserve at Riverside Homeowners' Association, Inc.

We the undersigned (Board or Association Members) of The Reserve at Riverside Homeowners' Association, Inc. do hereby severally waive notice of the time, place, and purpose of (the annual or a special) meeting of the Board or Association members) of the said Association, and consent that the same be held at

_____ on the _____ day of _____,
2_____ at _____ o'clock _____ M., and do further consent to the
transaction of any and all business of any nature that may come before the meeting.

Dated: _____

Article X

General Provisions

1. **Amendments.** Except as otherwise provided herein or in the Declaration, these By-Laws may be amended or repealed and new by-laws may be adopted by the affirmative vote of a majority of the Board then holding office at any regular or special meeting of the Board and by a majority vote of the Members at a regular or special meeting of the Members at which a quorum is present, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of conflict between the Declaration and these By-Laws, the Declaration shall control.

2. **Association Seal.** A seal with the words "The Reserve at Riverside Homeowners' Association, Inc." on it shall be the common corporate seal of the Association and shall be in the custody of the Secretary.

3. **Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Judy A. Hill