

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)
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The undersigned, Integrys Development, LLC, a South Carolina limited liability company, (the "Declarant"), the owner of all the lots and tracts of land shown on plat of community property known as Lenhardt Village (the "Development"), and recorded in the ROD Office for Greenville County in Plat Book 49-Z at page 38, and being described in the deed to Declarant dated April 12, 2004 and recorded on April 13, 2004 in the ROD Office for Greenville County in Deed Book 2083, at page 1870, deems it in the best interest of Declarant and future owners of the Development to subject the Development to the protective covenants, restrictions, reservations, servitudes and easements hereinafter set forth (this "Declaration"), each and all of which is and are for the benefits of the Development and each and every part therefore and shall apply to and bind every present and future owner of property in the Development or any part thereof, and each of their heirs, successors and assigns.

The covenants herein contained are to run with the land and shall be binding on all persons claiming under them until the 31 day of December, 2025, at which time such covenants shall be automatically extended for successive periods of ten (10) years, unless by vote of the majority of the then Owners of the Lots, it is agreed to change said covenants and building restrictions in whole or in part.

I. PURPOSE OF COVENANTS

The fundamental object and purpose of these restrictive covenants is to create a harmonious atmosphere in Lenhardt Village to prevent the building of any structure which would look odd, cheap, or out of keeping, to insure the use of Lenhardt Village for attractive residential purposes only, to prevent nuisances, to prevent the impairment of the attractiveness of Lenhardt Village, to maintain the desired tone of the community, to preserve the value of the property owned and developed by the Lenhardt Village Owners and to secure to each Owner the full benefit and enjoyment of his/her home. Anything tending to detract from the attractiveness and value of Lenhardt Village for residential purposes will not be permitted.

II. CERTAIN DEFINITIONS

1. Lot. "Lot" shall mean any plot of land within the Development, whether or not improvements are constructed on that land, which constitutes or will constitute, after the construction of improvements, a single-family dwelling site as shown on a plat recorded in the land records of Greenville County. The ownership of each Lot shall include, and there shall pass with each Lot as an appurtenance thereto, whether or not separated described, all of the right, title, and interest of an Owner in the Common Property and membership in the Association.

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2. *Mortgage*. "Mortgage" means any mortgage, security deed, deed of trust, or similar instruments used for the purpose of encumbering real property in the Development as security for the payment or satisfaction of an obligation.

3. *Mortgagee*. "Mortgagee" shall mean the holder of a Mortgage.

4. *Owner*. "Owner" shall mean the record owner, whether one or more persons, of the fee simple title to any Lot located within the Development; excluding any person holding such interest merely as security for the performance or satisfaction of any obligation.

5. *Person*. "Person" means a natural person, corporation, joint venture, partnership (general or limited), association, trust, or other legal entity.

III. USES PERMITTED AND PROHIBITED

1. *Single Family Residences*. All Lots shall be used exclusively for single family residential dwellings. No numbered Lot or any part thereof shall be used for any business or commercial purposes.

2. *No Temporary Residences*. No trailer, basement, tent, shack, garage, barn or other outbuildings erected upon any Lot shall at any time be used as a residence, either temporarily or permanently. No structure of a temporary nature shall be used as a residence.

3. *Trailers, Boats, and Motorcycles*. No house trailer shall be placed on any Lot either temporarily or permanently. Any camping trailer, boat, motorcycle, motor bicycle and/or similar equipment used for personal enjoyment of a resident of a Lot shall at all times be parked to the rear of the dwelling or completely within a garage. Such equipment shall at all times be neatly stored and positioned to be inconspicuous.

4. *Nuisance*. It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No property within the Development shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of the surrounding property. No noxious or offensive activity shall be carried on within the Development, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property within the Development.

5. *Unsightly or Unkempt Conditions*. The pursuit of hobbies or other activities, including, without limitation, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken in any part of the Development.

6. *Pets*. No animals shall be kept, maintained or quartered on any lots except that cats, dogs and caged birds may be kept in reasonable numbers as pets for the pleasure of residents.

7. *Fuel tanks*. All fuel oil tanks or containers shall be covered so as not to detract from the Development, or buried underground consistent with normal safety precautions.

8. *Tall Shrubbery or Hedges.* Owners will be required to keep tall shrubbery or hedges trimmed to reasonable limits where air circulation or view from the surrounding property may be adversely affected or where traffic hazards may be created. Further, all Owners shall be required to maintain their Lots and any improvements thereon at all times in a neat, attractive and presentable manner so as to not detract from the overall appearance of the Development or the surrounding property.

9. *Trash Removal.* No owner will engage in any activity which will result in the deposit or accumulation of trash, refuse, debris or other objectionable matter.

10. *Satellite Dishes or Antennas.* No satellite dishes, greater than 24" in diameter, or antennas will be permitted.

11. *Signage.* No signs shall be permitted on any lots except that a single sign offering property for sale or for rent may be placed on any such lot provided such sign is not more than 48 inches wide by 36 inches high.

12. *House Names & Numbers.* Names or numbers painted on mailboxes and/or any other house numbers will be painted in a professional manner.

13. *Fencing.* All fencing must be approved by the Board of Directors. Fencing higher than six feet will not be approved nor will chain link fencing. Under no circumstances shall any fence be placed, erected, allowed, or maintained upon any Lot closer to the street than the rear one-third (1/3) of the residence located on the Lot. Notwithstanding the foregoing, the Declarant shall have the right to erect fencing of any type, at any location, on any Lot during the period that such lot is being used by Declarant as a model home. The Board of Directors shall have the right to erect the fencing of any type considered appropriate or desirable by the Board at any location on the Common Property.

14. *Play Structures.* No tree houses, or play houses over fifteen (15) feet high, shall be erected.

15. *Paints.* No intense or fluorescent paints shall be used externally, nor highly reflective surface treatments of any sort, nor paint or other decoration applied in stripes, dots or other repetitive geometric shapes.

16. *Landscape Lighting.* Except for low-voltage entrance, low-voltage landscape lighting, and temporary holiday decorations, no brightly colored or artificially lighted exterior lawn or yard decorations shall be placed on any Lot so as to be visible to others.

17. *Rules and Regulations.* Rules and regulations concerning the use and occupancy of the Development may be made and amended from time to time by the Board of Directors. A copy of such rules and regulations and any amendments thereto shall be furnished by or at the direction of the Board of Directors to all the Owners. Additional copies shall be available upon request to the Board of Directors.

IV. LOCATION AND SIZE OF IMPROVEMENTS AND LOTS

1. *Minimum Square Feet.* The amount of fully enclosed, heated floor area, exclusive of porches and garages devoted to living purposes shall, in each unit, total not less than Twelve Hundred (1200) square feet, with the ground floor level being of at least Eight Hundred and Fifty (850) square feet.

2. *Storage Sheds.* Storage sheds must be constructed, installed or placed behind the main dwelling and in a location inconspicuous as much as possible from public view. No

two story structures of this nature are permitted on any Lot. All materials used in the construction of such structures must match the main dwelling located on the Lot and must be built on a slab. No aluminum materials are to be used in the construction of such structures. Such structures may be subject to further rules and regulations promulgated by the Association.

3. *No Subdivision.* No lots conveyed by Declarant shall be subdivided.
4. *No Above Ground Pools.* No above ground swimming pools may be constructed.

V. MAINTENANCE & CONVEYANCE OF COMMON PROPERTY TO ASSOCIATION

1. *Association's Responsibility.* The Association shall maintain in good repair the real property, easements and other interests, together with improvements located on that property (if any) which are now or hereafter owned by the Association for the common use and enjoyment of some or all of the Owners (the "Common Property").

a. The Association shall maintain in good repair the Common Property, including (without limitation) maintenance, repair, and replacement of all landscaping and improvements situated on the Common Property.

b. The Association shall also maintain all entry features, including the entrance monument; operate and maintain street lights for the Development; all storm water detention facilities and easements serving the Development; and all property outside of Lots which was originally maintained by the Declarant.

c. The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the Development, where the Board has determined that such maintenance would benefit the Owners.

d. In the event that the Association determines that the need for maintenance, repair, or replacement of property described in (a) through (c) above is caused by the willful or negligent act of an Owner, or the family, guests, lessees, or invitees of any Owner, and is not covered or paid for by insurance, in whole or in part, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be an Assessment against such Owner subject to the Association's lien and collection rights provided for in this Declaration.

2. *Owner's Responsibility.* Except as provided in (1) above, all maintenance of Lots and all structures, parking areas, landscaping and other improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in a manner consistent with this Declaration. In the event that the Board determines that any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance, repair or replacement of items for which such Owner is responsible, the Association may perform such maintenance, repair or replacement for the Owner at the expense of the Owner. Except in an emergency situation, the Association shall give the Owner written notice of the Association's intent to provide such necessary maintenance, repair or replacement. The notice shall set forth with reasonable particularity the maintenance, repairs or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair or replacement, or, in the event that such maintenance, repair or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be

completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs shall be an assessment.

3. *Conveyance of Common Property by Declarant to Association.* The Declarant may convey to the Association any personal property, any improved or unimproved real property, leasehold, easement, or other property interest located within or adjacent to the Development. Such conveyance shall be accepted by the Association, and the property shall thereafter be Common Property to be maintained by the Association for the benefit of all or a part of its members. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section.

VI. EASEMENTS

1. *Easements for Use and Enjoyment.* Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property which shall be appurtenant to, and shall pass with, the title to each Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable dues, assessments and other fees for the use of any portion of the Common Property, including the streets, the entrance landscaping, whether or not located on Common Property, any recreational facilities (if any) situated upon such Common Property and for privacy protection;

(b) the right of the Association to limit the number of guests of Lot Owners and tenants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his family, tenants, guests, and invitees;

(c) the right of the Association to suspend the voting rights of a Lot Owner and the right of an Owner to use the recreational facilities available for use by the Community, if any, for any period during which any assessment against such Owner's Lot which is hereby provided for remains unpaid; and, for a reasonable period of time, for an infraction of this Declaration, By-Laws, or rules and regulations;

(d) the right of the Association to borrow money for the purpose of improving the Common Property, or any portion thereof, or for construction, repairing, or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property provided that the lien and encumbrance of any such Mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements, and privileges herein reserved or established for the benefit of the Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by the Declarant or any Lot Owner encumbering any Lot or other property located within the Community. Any such Mortgage on the Common Property shall be subject to approval by the Declarant (until such time as the Declarant has turned over control of the Association to the Owners) and thereafter, at least two-thirds (2/3) of the members. Any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights therein by the holder thereof in the event of a default thereunder shall not cancel or terminate any rights, easements, or privileges herein reserved or

established for the benefit of the Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by the Declarant or any Lot Owner encumbering any Lot or other property located within the Development;

(e) subject to the rights of the Declarant, the right of the Board to dedicate or grant licenses, permits, or easements for utilities or other facilities (including, but not limited to, drainage facilities) that are necessary or desirable, over, under, and through the Common Property to governmental entities for public purposes with an instrument signed by at least a majority of the members of the Board and recorded in the office of the Register of Deeds for Greenville County, South Carolina.

(f) subject to the rights of the Declarant, the right of the Association to dedicate or transfer all or any portion of the Common Property subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by the affirmative vote of the Declarant and at least two-thirds (2/3) of the members, which has been recorded in the office of the Register of Deeds for Greenville County, South Carolina.

(g) subject to the right of the Declarant, so long as the Declarant owns any portion of the property subjected to this Declaration, to create new Common Property, to place advertising signs and literature in any Common Property and to use portions of the Common Property, including any improvements thereon;

(h) subject to the right of the Declarant to mortgage, pledge or hypothecate any Common Property, except streets, as security for debts incurred in connection with the improvements to be placed on the Common Property, provided, however, the Declarant shall be responsible for such debt(s), and shall pay all principal, interest and other payments as they come due; and

(i) subject to all easements and rights-of-way shown on any recorded plat of the property subjected to this Declaration or any portion thereof and to any other easements of record as of the date this Declaration is recorded; and

(j) subject to the right of any Lot Owner to delegate such Owner's right of use and enjoyment in and to the Common Property and facilities located thereon to the members of such Owner's family and to such Owner's tenants and guests or contract purchasers who actually reside on the Lot, and shall be deemed to have made a delegation of all such rights to the occupants of such Owner's Lot, if leased. Subject to the provisions of this Declaration, the Owner of an unoccupied Lot may delegate such rights to the members of the Board of Directors of the Association.

2. *Easement for Drainage.* A perpetual easement is reserved across all Development property for the purpose of altering drainage and water flow. This right shall include, but is not limited to, altering swales, installing drains, drainage ditches, pipes, inlets, headwalls, and altering channeling, or piping waterflow across any Lot or any property in the Development. Rights exercised pursuant to this reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

3. *Easement for Entry.* An easement is reserved for the right (but not the obligation) to enter upon any property or Lot within the Development for emergency, security, and safety reasons. This right may be exercised by the Declarant or its designee, any officer

of the Board, and all governmental employees, policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. This right of entry shall include the right of the Board to enter to cure any condition which may increase the possibility of a fire, slope erosion, or other hazard or condition in the event an Owner or occupant fails or refuses to cure the condition upon request by the Board.

4. *Easement for Maintenance.* An easement is reserved for the Declarant and the Association as is necessary to allow for the maintenance required by this Declaration. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Owners' property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

5. *Easement for Entry Features.* There is hereby reserved to the Declarant and the Association an easement for ingress, egress, installation, construction, landscaping, and maintenance of entry features and similar streetscapes for the Development, over and upon each Lot as more fully described on the recorded subdivision plats for the Development. The easement and right herein reserved shall include the right to cut, remove, and plant trees, shrubbery, flowers, and other vegetation around such entry features and the right to grade the land under and around such entry features. Such easement shall be subject to the terms and conditions of any easements granted to utility companies.

6. *Construction and Sale Period Easement.* Notwithstanding any provisions contained in the Declaration, the By-Laws, Articles of Incorporation, use restrictions, rules and regulations, design guidelines, and any amendments thereto, until the Declarant's right unilaterally to subject property to this Declaration terminates and thereafter so long as the Declarant owns any property in the Development for development or sale, the Declarant reserves an easement across the Development for the Declarant and any builder or developer approved by the Declarant to maintain and carry on, upon such portion of the Development as the Declarant may reasonably deem necessary. This reserved easement shall include an easement for such facilities and activities which, in the sole opinion of the Declarant, may be required, convenient, or incidental to the development, construction, and sales activities related to property within or near the Development.

7. *Fence and Water Facility Easement.* The Declarant hereby reserves an easement across any Lot which borders upon or contains a portion of any water facility, detention pond, or retention pond for the purpose of access to such facility or pond, and for the purpose of erecting any fence which is either required by the subdivision development and construction plans or governmental regulation, rule, ordinance, or plan approval requirement.

8. *Utilities.* An easement is reserved over the rear and side lot lines five feet in width on each lot for the installation, operation, and maintenance of utilities and for drainage purposes. Such easement across the lots as shown on the recorded Plat, or an amended recorded Plat, are also reserved. The right is further reserved within the five foot easement for grading changes and tree removal, if necessary, for the purpose of landscaping and drainage.

9. *Additional Easements.* Declarant reserves the right to impose further restrictions and to grant or dedicate additional easements and rights-of-way over the property owned by the Declarant. In addition, the Declarant hereby reserves the right to grant easements and rights-of-way over, under and through the Lots and Common Property so long as the Declarant shall own any portion of the property located within the Development. The easements and rights-of-way granted by the Declarant shall not structurally weaken any improvements or unreasonably interfere with the enjoyment of the Common Property.

VII. ASSESSMENTS

1. *Purpose of Assessment.* The assessments provided for in this Declaration shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots, as may be authorized from time to time by the Board.

2. *Creation of the Lien and Personal Obligation for Assessments.* Each Owner agrees to timely pay to the Association: (a) annual assessments or charges; (b) special assessments; and (c) specific assessments against any particular Lot which are established pursuant to the terms of this Declaration. Each Owner also agrees to pay reasonable fines as may be imposed in accordance with the terms of this Declaration.

3. *Late Charges.* All assessments shall accrue late charges, interest (not to exceed the lesser of the maximum rate permitted by law or eighteen percent (18%) per annum on the principal amount due), and costs, including, without limitation, reasonable attorney's fees actually incurred. The assessments and charges shall be a continuing lien upon the Lot against which each assessment is made, and shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due.

4. *Personal Liability.* Each Owner shall be personally liable for the portion of each assessment coming due while the Owner of a Lot, and each grantee of an Owner shall be jointly and severally liable for the assessments which are due at the time of conveyance; however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings.

5. *Certificate of Payment.* The Association shall, within five (5) business days after receiving a written request, 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 shall be binding upon the Association as of the date of issuance. The Board shall have the right to impose a reasonable charge for providing this certificate.

6. *Annual Assessments.* Annual assessments shall be levied equally on all similarly situated Lots and shall be paid in such manner and on such dates as may be fixed by the Board. The Board may allow annual assessments to be paid in monthly, quarterly, semi-annual or annual periodic payments, and the Board shall have the right to accelerate any unpaid installments in the event an Owner is delinquent. Unless otherwise provided by the Board, the annual assessment shall be paid in annual installments.

7. *Computation of Annual Assessments.* The Board shall prepare a budget covering the estimated costs of operating the Association during the coming year, which may include a capital contribution or reserve. The Board shall cause the budget and the assessments to be mailed or delivered to each member at least thirty (30) days prior to the end of the current fiscal year. The budget and the assessment shall become effective unless disapproved at a meeting by a majority vote of the membership. In the event the

membership disapproves the proposed budget, or the Board fails to establish a budget for the succeeding year, the budget in effect for the then current year shall continue for the succeeding year until changed by the Board. In the event the Board's budget is disallowed, the Board shall have the right to make a new budget retroactive to the start of the fiscal year.

8. *Special Assessments.* In addition to the other assessments authorized by this Declaration, the Association may levy special assessments from time to time. Special assessments must be approved at a meeting by two-thirds (2/3) of a vote of the membership. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

9. *Lien for Assessment.* All sums assessed against any Lot, Owner, or member pursuant to this Declaration shall be secured by a lien on such Lot in favor of the Association. Delinquent assessments of one Lot means all Lots owned by that Owner are subject to the Association's lien.

10. *Priority.* The lien of the Association shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes; (b) liens for all sums unpaid on a first priority Mortgage or deed to secure debt, or (c) a lien arising by virtue of any Mortgage in favor of the Declarant which is duly recorded in the land records of Greenville County. All other Persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded shall be deemed to acknowledge that their liens shall be inferior to the lien of the Association for assessments in existence at that time or which arise in the future.

11. *Effect of Nonpayment of Assessment.* Any assessments (or installments) which are not paid when due shall be delinquent. Any assessment (or installment) which is delinquent for a period of more than ten (10) days shall incur a late charge in an amount set by the Board. If the assessment is not paid within thirty (30) days, a lien shall attach to the Owner's Lot. The lien shall cover all assessments then due or which come due until the lien is cancelled of record, and any other amounts provided in this Declaration or permitted by law. In the event that the assessment remains unpaid after thirty (30) days, the Association may, in its sole discretion, take any or all of the following actions: (a) institute suit to collect such amounts and foreclose its lien; (b) suspend the voting rights of the Owner during the period of delinquency; (c) accelerate all remaining assessments for the fiscal year in question so that unpaid assessments for the remainder of the fiscal year shall be due and payable at once; and (d) the Association shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, and convey the same.

12. *No Set Off or Deduction.* No Owner may waive or otherwise exempt himself from liability for the assessments provided for in this Declaration. No setoff, diminution, or abatement of any assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action, for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. The obligation to pay assessments is a separate and independent covenant on the part of each Owner and is not subject to setoff.

13. *Application of Payments.* All payments shall be applied first to costs, then to late charges, then to interest, and then to delinquent assessments.

14. *Date of Commencement of Assessments.* Assessments shall start on the first day of the month following the sale of the Lot to a Person other than Declarant. The first annual assessment shall be adjusted according to the number of days then remaining in that fiscal year.

15. *Specific Assessments.* The Board shall have the power to determine specific assessments pursuant to this Section as it shall deem appropriate, in its sole discretion. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future. The Board may also assess Owners for the following Association expenses (except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association):

(a) expenses of the Association which benefit less than all of the Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; and

(b) expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received; and

(c) expenses for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon any Common Property, including the streets, entrance monuments, signs, and landscaping, including fixtures and personal property related thereto, or to make up any deficit or shortage in the current year's budget; provided that any such assessment shall have the assent of two-thirds (2/3) of a vote of the membership at a meeting duly called for this purpose; and

(d) expenses in the event that any Owner fails to properly maintain the exterior of such Owner's residence, including the yard and any fence or fences on such Owner's Lot, the Board may, by majority vote, levy a specific assessment against the Owner of such Lot, which assessment shall be in an amount equivalent to that required to properly maintain the exterior of such residence.

16. *Budget Deficits During Declarant Control.* For so long as the Declarant has the authority to appoint the directors and officers of the Association, Declarant may (but shall not be required to):

(a) advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association and the sum of the annual, special, and specific assessment collected by the Association in any fiscal year. Such advances shall, upon request of the Declarant, be evidenced by promissory notes from the Association in favor of the Declarant. The failure of Declarant to obtain a promissory note shall not invalidate the debt; or

(b) cause the Association to borrow such amount, or a general borrowing from a third party at the then prevailing rates for such a loan in the local area of the Development. Declarant, in its sole discretion, may guarantee repayment of such loan, if required by the lending institution, but no Mortgage secured by the Common Property or

any of the improvements maintained by the Association shall be given in connection with such loan; or

(c) acquire property for, or provide services to, the Association or the Common Property. Declarant shall designate the value of the property or the services provided and such amounts, at the request of the Declarant, may be evidenced by a promissory note. Failure to obtain a promissory note shall not invalidate the obligation referred to in this Section.

VIII ASSOCIATION

1. *Organization.* The Association shall be organized as a South Carolina non-profit corporation named Lenhardt Village Homeowners' Association (the "Association").

2. *By-Laws.* By-Laws of the Association shall be in the form attached hereto, marked Exhibit A and made a part hereof (the "Bylaws"). Such By-Laws may be amended from time to time as provided in this Declaration and the By-Laws.

3. *Duties and Powers.* Duties and powers of the Association shall be those set forth in this Declaration, the Articles of Incorporation, and the By-Laws as well as those reasonably implied to affect the purpose of the Association. Duties and powers include, but are not limited to, participation in decisions concerning the maintenance, repair and restoration of the Common Property with the Declarant and Declarant's successors in interest. Such duties and powers shall be exercised in the manner provided by the Declaration, the Articles of Incorporation, and the By-Laws.

4. *Manager.* The Board of Directors may employ a professional manager (the "Manager") to exercise such powers and undertake such duties for the management of the business of the Association as may be delegated to such Manager by the Board in accordance with the Declaration and By-Laws. The Manager may be an individual, corporation, or any other legal entity, as the Board may determine.

5. *Membership.* Every Owner shall be deemed to have a membership in the Association. If a Lot is owned by more than one Person, there shall be only one (1) membership per Lot, and the votes and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote be cast nor office held for each Lot owned.

6. *Voting.* Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise the Secretary prior to the meeting. The Lot's vote shall be suspended in the event more than one (1) Person seeks to exercise it.

7. *Total Association Vote.* "Total Association Vote" means all of the votes attributable to members of the Association. If the Total Association Vote is taken during a time while Declarant has the right to appoint members of the Board of Directors, a Total Association Vote approving some item or proposition must contain the affirmative vote of Declarant or the item or proposition will be deemed not to have been approved.

IX. DECLARATION ACTING IN LIEU OF THE ASSOCIATION; TRANSFER TO THE ASSOCIATION

1. *Declarant as Association.* Pending the transfer of the Association to the Owners upon the occurrence of: (i) conveyance of fifty percent (50%) of the Lots by Declarant, or (ii) a term of two (2) years from the date of sale of the first Lot by Declarant, at Declarant's discretion, Declarant shall have the rights, powers, remedies, duties and privileges of the Association and Board of Directors. Declarant shall have the right to delegate all or some of the foregoing to a manager designated by Declarant, which may be a person or entity controlling, controlled by, or under some common control with the Declarant until control of the Association becomes vested in the Owners of the Lots, provided, however, any agreement for professional management shall provide that it may be terminated without penalty by Declarant or the Association upon ninety (90) days notice and shall be for a term not to exceed one year, renewable for successive one-year periods. Declarant shall have the right, but not the obligation, to turn over control of the Association and Board of Directors to the Owners at any time.

2. *Assessment While Declarant Acts as Association.* During the period that Declarant acts as the Association as provided herein, Declarant shall establish a budget for assessments based upon Declarant's estimate of the cost of management, administration, services, and expenses, together with a reasonable management fee to Declarant. Based upon such budget, Declarant shall establish the amount of assessments to be paid monthly by each Owner for such expenses and management fee.

3. *Transfer of Association.* Unless Declarant shall have previously turned the Association over to the Owners, Declarant shall, within ninety (90) days following the completion of the transfer of title to one-hundred percent (100%) of the Lots, call a meeting of the Association to be held no earlier than twenty (20) but no later than forty (40) days following the notice of such meeting. At this initial meeting of the Owners, the Association will elect Directors, and the Declarant will render a report on the Development, turn over management and the books, records, and accounts to the Association and its Directors.

4. *Membership of Declarant in the Association.* Declarant shall be for all purposes, and shall have all the rights, powers, privileges, duties and obligations of an Owner and be a member of the Association so long as Declarant owns one or more Units and shall have a vote as a member of the Association in accordance with Declarant's ownership of Lots.

X. MORTGAGEE PROVISIONS. The following provisions are for the benefit of holders of first Mortgages on Lots in the Development. The provisions of this Section apply to both this Declaration and the By-Laws, notwithstanding any other provisions contained therein.

1. *Notices of Action.* An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Development or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by the Owner of the encumbered Lot of any obligation under the Declaration or By-Laws of the Association which is not cured within sixty (60) days; and

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

2. *No Priority.* No provision of this Declaration or the By-Laws gives, or shall be construed as giving, any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to, or a taking of, the Common Property.

3. *Notice to Association.* Upon request, each Owner shall be obligated to furnish, to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

4. *VA/HUD Approval.* As long as the Declarant has the right to appoint and remove the directors of the Association and so long as the project is approved by the U.S. Department of Housing and Urban Development ("HUD"), or the U.S. Department of Veterans Affairs ("VA"), for insuring or guaranteeing any Mortgage in the Development, the following actions shall require the prior approval of the VA or HUD, as applicable: annexation of additional property to the Development, except for annexation by the Declarant in accordance herewith or pursuant to a plan of annexation previously approved by the VA or HUD as applicable; dedication of Common Property to any public entity; mergers and consolidations of the Association; dissolution of the Association; and material amendment of the Declaration, By-Laws, or Articles of Incorporation.

5. *Applicability of Article.* Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or South Carolina law for any of the acts set out in this Article.

6. *Amendments by Board.* Should the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD, or VA subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

XI. INSURANCE AND CASUALTY LOSS

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

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

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

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

4. *Miscellaneous.* All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association, as trustee for the respective benefited parties, as further identified below. Such insurance shall comply with these provisions:

(a) All policies shall be written with a company licensed to do business in South Carolina, with a rating of not less than "A" as determined by *Best's Key Rating Guide*, or if no longer available, by another comparable rating guide.

(b) Exclusive authority to settle losses under policies obtained by the Association shall be vested in the Association's Board of Directors; however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(c) In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees, and the insurance carried by the Association shall be primary.

(d) All property insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies shall be reviewed annually.

(e) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(1) A waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and Occupants and their respective tenants, servants, agents, and guests;

(2) A waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(3) That no policy may be cancelled, invalidated, or suspended on account of any one or more individual Owners;

(4) That no policy may be cancelled, subjected to non-renewal, invalidated, or suspended on account of any defect or the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct, and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner, or Mortgagee;

(5) That any "other insurance" clause in any policy exclude individual Owner's policies from consideration; and

(6) That no policy may be canceled, subjected to non-renewal, or substantially modified without at least thirty (30) days prior written notice to the Association.

(f) In addition to the other insurance required by this Section, the Board shall obtain worker's compensation insurance to the extent necessary to satisfy the requirements of applicable laws, and shall obtain a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall be determined in the minimum amount of three (3) month's assessments plus reserved on hand. Bonds shall contain a waiver of all defenses provision based upon the exclusion of persons serving without compensation and may not be canceled, subjected to non-renewal, or substantially modified without at least thirty (30) days prior written notice to the Association. The Association shall also obtain construction code endorsements, steam boiler coverage, and flood insurance, if and to the extent necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the US Department of Veterans Affairs, or the U.S. Department of Housing and Urban Development.

6. *Individual Insurance.* By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner acknowledges that the Association has no obligation to provide any insurance for any portion of individual Lots, and each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket "all-risk" property insurance on the Lot and all structures constructed thereon and a liability policy covering damage or injury occurring on a Lot. The property insurance shall cover loss or damage by fire and other hazards commonly insured under an "all-risk" policy, if reasonably available, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. If all-risk coverage is not reasonably available, Owners shall obtain, at a minimum, fire and extended coverage. The policies required hereunder shall be in effect at all times. Authority to adjust losses under policies obtained by an Owner shall be vested in the Owner. The losses under policies obtained by an Owner shall be vested in the Owner. The Association shall have the right, but not the obligation, at the expense of the Owner, to acquire the insurance required to be maintained by the Owner if the Owner fails to provide a valid policy to the Association with a prepaid receipt within ten (10) days after receipt by the Owner of a written request from the Association. If the Association does acquire insurance on behalf of any Owner, the cost thereof shall be assessed against the Owner and the Lot as a special assessment.

7. *Damage and Destruction – Insured by Association.*

(a) In General. Immediately after damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board, or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in

applicable building codes. The Board shall have the enforcement powers specified in this Declaration necessary to enforce this provision.

(b) Repair and Reconstruction. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five (75%) percent of the Total Association Vote otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

(c) If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Association's members, levy a special assessment against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association.

(d) In the event that it is determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event, the property shall be restored to its natural state and maintained as an undeveloped portion of the Community by the Association in a neat and attractive condition.

8. *Damage and Destruction – Insured by Owners.* The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within seventy-five (75) days after such damage or destruction or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Lot and remove all debris therefrom within seventy-five (75) days after such damage or destruction. In the event of noncompliance with this provision, the Board shall have all enforcement powers specified in this Declaration.

9. *Insurance Deductible.* In the event of damage or destruction to the Common Property or other areas or improvements maintained by the Association, the deductible for any casualty insurance policy carried by the Association shall be paid by the Association, but the Association may allocate the cost thereof among any Persons who are responsible, in whole or in part, for such damage or destruction.

XII. MISCELLANEOUS

1. *Severability.* Invalidation of any one or more of these covenants by Judgment of Court Order shall in no way affect any of the other provisions which shall remain in full force and effect.

2. *Waiver.* The provisions contained herein shall bind and inure to the benefit of and be enforceable by the Owner or Owners of any portion of the Development, and each of their legal representatives, heirs, successors and assigns, and failure by the Owner or Owners of any portion of the Development or their legal representatives, heirs, successors and assigns, to enforce any of such covenants, restrictions, reservations, servitudes, and easements herein contained shall in no event be deemed a waiver of the right to do so thereafter, unless otherwise herein provided.

3. *Declarant Reservation to Amend.* The Declarant reserves and shall have the right to amend this Declaration for the purpose of resolving any ambiguity in, or any inconsistency between, the provisions contained herein, and to make any additional covenants and restrictions applicable to the Development which do not substantially alter or change the standards of the covenants and restrictions herein contained.

4. *Amendments.* This Declaration may be amended only by the affirmative vote or written consent, any combination thereof, of a majority of the Owners. To be effective, any amendment must be recorded in the ROD Office for Greenville County, South Carolina.

5. *Temporary Sales Office(s).* Nothing herein contained shall be construed to prevent the Declarant and its affiliates, or their successors and assigns, from maintaining temporary sales offices and storage on any Lot while the Development is in the process of being developed and houses constructed within the Development.

6. *Successor Declarant/Declarant Delegation of Powers.* The Declarant expressly reserves the right to assign any of the duties, powers, functions and approval authority set forth herein to any successor in title or duly organized legal entity at Declarant's sole discretion. To be effective, such assignment must be recording in the ROD Office for Greenville County, South Carolina. However, the Declarant has the right to delegate any of the duties, powers, functions and approval authority set forth herein without recording any instrument in the ROD Office for Greenville County, South Carolina.

7. *Violation of Declaration.* A breach or violation of any of this Declaration in whole or in part, is hereby declared to be and to constitute a nuisance and every remedy at law or equity against a nuisance, either public or private shall be applicable against such Owner of any Lot and may be prohibited and enjoined by an injunction. Such remedy may be deemed cumulative. The losing party in such litigation shall pay all expenses, including reasonable attorneys' fees incurred by the other party in such legal proceeding.

8. *Self-Help.* In addition to any other remedies provided herein, the Association or its duly authorized agent shall have the power to enter upon any Lot or any other portion of the Development to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, the By-laws, the rules and regulations (if any), or the use restrictions. Unless an emergency situation exists, the Board shall give the violating Lot Owner ten (10) days written notice of its intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after reasonable notice. All costs of self-help, including reasonable attorneys' fees, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed this 27 day of July, 2005.

In the presence of:

Cheryl Sanders
Witness

Sherril A. Stewart
Witness

Integrus Development, LLC

By: [Signature]

Its: FRAN N. BIASI

Title: COO / MANAGER

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

ACKNOWLEDGEMENT

I, SHERI A. STEWART, a Notary Public in and for the County and State aforesaid, certify that EARL N. BLASI, a Member/Manager of Integrys Development, LLC appeared before me this day and acknowledged that he did sign, seal and as his act and deed deliver the within written Declaration of Restrictive Covenants.

WITNESS my hand and official stamp or seal this 27 day of July, 2005.

Sheri A. Stewart
Notary Public for South Carolina
My Commission Expires: 3/17/2014

By-Laws**BY-LAWS OF LENHARDT VILLAGE HOMEOWNERS' ASSOCIATION****ARTICLE I****NAME, LOCATION AND DEFINITIONS**

1. Name. The name of the corporation is Lenhardt Village Homeowners' Association, hereinafter referred to as the "Association".
2. Location. The initial principal office of the corporation shall be located at 770 Pelham Road, Suite 200, Greenville, South Carolina 29615. The registered office of the Association may be, but need not be, the same as the principal office.
3. Definitions. Unless otherwise provided in these By-Laws, all capitalized terms used herein shall have the same definitions as provided in the Declaration. Other terms used herein shall have such meanings and definitions as provided herein or in the Declaration.

ARTICLE II**MEMBERS**

1. Membership. Every Owner shall be deemed to have a membership in the Association. If a lot is owned by more than one person, there shall be only one (1) membership per lot, and the votes and rights of use and enjoyment shall be as provided in the Declaration and in the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote be cast nor office held for each lot owned.
3. Rights of Members. Each member shall have the right to (a) use and enjoy, in common with all other members and subject to the Declaration and rules and regulations adopted by the Board of Directors, the Common Property of the Development; and (b) vote as provided in these By-Laws.
4. 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 so as to occur no later than sixty (60) days after the close of the Association's fiscal year.

6. 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 9, by the President or by resolution of the Board of Directors of the Association.
7. 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 or Manager to each member of record. If an Owner wishes notice to be given at an address other than the Lot, the Owner shall designate by writing to the Secretary such other 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 of each special meeting.
8. Quorum. Unless otherwise specified in the Declaration, at any meeting of the members, ten percent (10%) 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 who shall state the date, time and place for the meeting to be rescheduled. Such verbal statement at the meeting being recessed shall be sufficient notice of the date, time and place of the rescheduled meeting. The members present at a duly organized meeting, at which a quorum is initially present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.
9. 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.
10. Voting. Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise the Secretary prior to any meeting. The Lot's vote shall be suspended in the event more than one (1) person seeks to exercise it.
11. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of such member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a member, or of written revocation, or upon the expiration of eleven (11) months from the date of proxy.

12. 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.
13. 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.
14. Member Liability; Obligation for Assessments. A member is not personally liable for the acts, debts, liabilities or obligations of the Association. A member is, however, personally liable for the obligations of such member set forth herein and in the Declaration.

ARTICLE III **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 not fewer than three (3) or more than five (5) persons, who shall be members of the Association. The initial Board of Directors shall consist of three (3) Directors who shall serve the following initial terms, unless he or she dies, resigns, retires, is removed, or disqualified, or until his or her successor is elected and qualified:

One Director - One-year term
Two Directors - Two-year term
Three Directors - Three-year term

Each Director shall serve until the next annual meeting in the year in which his term expires. Each Director's successor shall be elected for a two-year term.

The initial Board of Directors shall be as provided in the Articles.

2. Directors Appointed by Declarant. The Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events shall occur: (a) the expiration of seven (7) years after the date of the recording of the Declaration; (b) seventy-five (75%) percent of Lots planned by Declarant to be part of the Development shall have been conveyed to Persons who have not purchased such Lots for the purpose of construction of a residence and resale of such Lot and residence; or (c) the surrender by Declarant in writing of the

- authority to appoint and remove directors and officers of the Association. The directors selected by the Declarant need not be Owners or residents of the Development.
3. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, with the approval of the Board, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.
 4. Nomination. Elected directors shall be nominated from the floor and may also be nominated by a nominating committee, if such committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualification to the members and to solicit votes.
 5. Election. Except as provided in Sections 2 and 6 of this Article III, 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, 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.
 6. 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, the remaining Directors shall have the right to select his or her successor who 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.
 7. 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 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.
 8. Telephonic Meetings. Meetings of the Board may be conducted by a telephone conference call duly recorded in the minutes of the Association as to the business transacted.
 9. 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 two directors after not less than a ten-day notice to each Director.
 10. 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.

11. 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.
12. Committees. Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.
13. Liability and Indemnification of Declarant and the Board. The Declarant, acting in the capacity of manager of the Development prior to incorporation of the Association, and members of the Board of Directors of the Association shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or as or as otherwise provided under South Carolina law or in the South Carolina Non-Profit Act, as amended (the "Act"). The Association shall indemnify and hold harmless the Declarant, and each of the members of the Board of the Association against all contractual liability to others arising out of contracts made by the Declarant or Board on behalf of the Development or Association unless any such contracts shall have been made contrary to the provisions of the Declaration, Articles, these By-Laws, South Carolina law, or, specifically, the Act. It is intended that the Declarant and members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Development or 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 stated capacity and as to action in another capacity while serving as Declarant or holding office with Declarant, or a Director, or officer, employee or agent of Declarant or the Association 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 Declarant or any person who is or was a Director, officer, employee or agent of Declarant or the Association, or is or was serving at the request of the Association or Declarant 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 the Declarant or any person who is or was a Director, officer, employee or agent of Declarant or 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 of 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 the Declarant or any Director, officer, employee or agent of Declarant or the Association if such indemnification is for any reason contrary to any applicable state or federal law.

14. Powers and Authority of the Board of Directors. Subject to the provisions contained in the Declaration, the Articles, 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 exercise all powers and authority granted to the Board in the Declaration, Articles of Incorporation, or the Act;
 - B. To adopt rules and regulations governing the use of the Common Property, the personal conduct of the members and their guests thereon, and establish penalties for the infraction thereof;
 - C. To suspend the voting rights 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, upon notice, for infraction of published rules and regulations for a period not to exceed sixty (60) days;
 - D. 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;
 - E. 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;
 - F. To procure, maintain, and pay premiums on insurance policy(ies);
 - G. To impose and receive any payments, fees or charges for the use, rental or operation of the Common Property or elements other than for service provided to members;
 - H. To employ attorneys and accountants to represent the Association when deemed necessary;

- I. To grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the Common Property, and upon, over, under and across the Development as permitted in the Declaration, without the assent of the members when such easements are granted by vote of the Board of Directors;
 - J. To appoint and remove, at the pleasure of the Board, all officers of the Association, prescribed their duties and require of them such security or fidelity bond as the Board may deem appropriate;
 - K. To enforce, on behalf of the Owners and the Association, such rights as may be granted under any restrictive covenants, easements, and the like, for the use and enjoyment of the Development;
 - L. 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, as any of the same may be amended, or applicable law;
 - M. To exercise any other powers necessary and proper for the governance and operation of the Association; and
 - N. 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.
15. Duties of the Board of Directors. The Board of Directors shall have the following duties:
- A. To carry out the duties of the Board set forth in the Declaration, Articles, and these By-Laws;
 - B. To cause the Common Property to be maintained, repaired, and replaced, as determined by the Board of Directors in its sole discretion;
 - C. To keep records of its meetings and corporate affairs and present a report thereof to the members at the annual meeting;
 - D. To supervise all officers, agents, and employees of the Association;
 - E. As more fully provided in the Declaration, to fix the amount of the annual assessment against each Lot at least thirty (30) days prior to the end of the current fiscal year based on the projected budget for the annual assessment period;

- F. 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;
- G. To assess late payment fees for past due assessments as provided in these By-Laws and to foreclose any unpaid assessments and liens resulting therefrom against any Lot for which assessments are not paid within thirty (30) days after the due date and/or to bring an action against the member personally obligated to pay the same, as the Board may elect;
- H. 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;
- I. To procure and maintain insurance as contemplated by the Declaration, and liability insurance insuring the Association and officers and Directors thereof in such amounts as the Board deems appropriate;
- J. To cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, if the Board deems such requirement appropriate; and
- K. To collect assessments and enforce the payment thereof in accordance with the Declaration and these By-Laws.

ARTICLE IV **OFFICERS**

1. Officers. The officers of the Association shall be a President, Vice-President and Secretary/Treasurer, and such other officers as the Board may from time to time by resolution create. The President and Vice-President shall at all times be members of the Board of Directors.
2. Election of Officers. The election of the initial set of officers shall be made by the initial Board of Directors at a special meeting called for such purpose within one month after the incorporation of the Association. Thereafter, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members. Officers must reside in Lenhardt Village to be eligible to hold office.
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 qualified.

4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.
5. Resignation and Removal. An 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 such 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 more than one of any of the other offices except that, in the case of special offices created pursuant to Section 1 of this Article IV, the same person may hold more than one of such offices.
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 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 V
BOOKS AND RECORDS

The books and records of the Association (the "Records") shall 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 such location shall be disclosed to the members by notice or at the annual or special meeting. The Records shall, during reasonable business hours, be subject to inspection by any member at the location at which they are maintained. Copies may be purchased at a reasonable cost to be set from time to time by the Board of Directors.

ARTICLE VI
MISCELLANEOUS

1. **Conflicts.** If there are conflicts or inconsistencies between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.
2. **Amendment.** These Bylaws may be amended by the Board of Directors (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation of 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, to enable such lender or purchaser to make or purchase mortgage loans on the Lots 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 Lots subject to the Declaration. In addition, these Bylaws may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the total members entitled to cast such votes; however, that the U.S. Department of Veterans Affairs (if it is then guaranteeing mortgages in the Development or has issued a project approval for the guaranteeing of such mortgages) and/or the U.S. Department of Housing and Urban Development (if it is then insuring any mortgage in the Development or has issued a project approval for the

insuring of such mortgages) shall have the right to veto amendments to these Bylaws for so long as the Declarant has the right to appoint and remove the directors and officers of the Association.

FILED FOR RECORD IN GREENVILLE
COUNTY SC R.O.D. OFFICE AT 02:05 PM
08 01 05 RECORDED IN DEED
BOOK 2157 PAGE 1880 THRU 1909
DOC # 2005069219

FILED FOR RECORD IN GREENVILLE
COUNTY SC R.O.D. OFFICE AT 12:58 PM
08 31 05 RECORDED IN DEED
BOOK 2163 PAGE 0056 THRU 0085
DOC # 2005080854