

Any time the actual assessment levied by the Board of Directors of the Association is less than the Maximum Annual Assessment, such decrease shall be proportionate among the Owners of Residential Lots, Family Dwelling Units, Multiple Family Tracts, Public and Commercial Sites, Public and Commercial Units, Development Unit Parcels, and Unsubdivided Land. The decrease or increase received by each class of Owners of the various classes of property may be made disproportionately only by the favorable vote of seventy-five (75%) percent of the votes cast at a duly called meeting of the Association, subject to the quorum requirements established by Article III, Section 6 hereof, and by seventy-five (75%) percent of the votes cast at said meeting by the Members of the classes whose proportionate share is being raised or decreased proportionately less than that of Members of other classes.

Section 4. Special Assessments for Improvements and Additions. In addition to the Annual Assessments authorized by Section 3 hereof, the Association may levy Special Assessments for the following purposes:

(a) Construction or reconstruction, repair or replacement of capital improvements upon the Common Properties, Restricted Common Properties, and Purchased Common Properties, including the necessary fixtures and personal property related thereto;

(b) For additions to the Common Properties, Restricted Common Properties, and Purchased Common Properties;

(c) To provide for the necessary facilities and equipment to offer the services authorized herein;

(d) To repay any loan made to the Association to enable it to perform the duties and functions authorized herein.

Such assessment before being charged must have received the assent of a majority of the votes of the Members responding to a mail Referendum within thirty (30) days of mailing. The mail Referendum shall include one statement from the Directors favoring the Special Assessment and one statement from any Directors opposing the Special Assessment containing the reasons for those Directors' support and opposition for the assessment. Neither statement shall exceed five (5) pages in length.

This provision shall be interpreted to mean that the Association may make in any one year an Annual Assessment up to the Maximum set forth in Section 3 of this Article plus one or more additional Special Assessments. Such Special Assessments in any one year may not exceed a sum equal to the amount of the Maximum Annual Assessment for such year except for emergency or other repairs required as a result of storm, fire, natural disaster or other casualty loss. The fact that the Association has made an Annual Assessment for an amount up to the permitted Maximum shall not affect its right to make Special Assessments during the year.

The proportion of each Special Assessment to be paid by the Owners of the various classifications of assessable

property shall be equal to the proportion of the Annual Assessment made for the assessment year during which such Special Assessments are approved by the Members.

Section 5. Segment Assessments. In addition to the Annual Assessments and Special Assessments authorized in Sections 3 and 4 of this Article, the Board of Directors of the Association is hereby empowered to levy assessments to be used for the benefit and/or operation of a particular portion or segment of Pine Forest, the payment of which assessment shall be borne by the Owners within such segment only, such assessment being herein referred to as "Segment Assessments." A Segment Assessment can only be levied by the Board of Directors of the Association after a determination that the affected segment of Pine Forest has such need of a particular addition or improvement as would justify the expenditure therefor by the Owners who would be assessed and who would enjoy the benefit of such improvement or addition and/or the operation thereof. In cases where such a determination is made by the said Board, the levy of the applicable Segment Assessment by the Board of Directors of the Association shall be final and not subject to approval by either the whole body of Members or by those Members who would be subject to the assessment. Any one Segment Assessment may not exceed a sum equal to one-half of the amount of the Maximum Annual Assessment in any one assessment year. The proportion of each Segment Assessment to be paid by the affected Owners of the

various classifications of assessible property shall be in proportion to the payment of annual Assessments.

If a Segment Assesment is made for an improvement or addition which requires a continuing assessment for maintenance and/or operational costs, then those Owners subject to the levy of the Segment Assessment may discontinue and abolish such Segment Assessment if such Owners so vote in a Referendum held during the second or any subsequent year of such a continuing Segment Assessment. Should any costs result from the removal of any addition or improvement where a particular Segment Assessment is discontinued, such costs shall be funded by the Segment Assessment before its discontinuance.

Section 6. Reserve Funds. The Association may establish reserve funds from its Annual Assessments to be held in reserve in an interest-bearing account or investments as a reserve for (a) major rehabilitation or major repairs, (b) for emergency and other repairs required as a result of storm, fire, natural disaster, or other casualty loss, (c) recurring periodic maintenance, and (d) initial costs of any new service to be performed by the Association.

Section 7. Change in Maximum Amounts of Annual Assessment Upon Merger or Consolidation. The limitations of Section 3 of Article V hereof shall apply to any merger or consolidation in which the Association is authorized to participate under Article II, Section 2 hereof, and under the By-Laws of the Association.

Section 8. Quorum of any Action Authorized Under this Article. The quorum required for any action authorized to be taken by the Association Members under this Article shall be as follows:

The first time any meeting of the members of the Association is called to take action under this Article, the presence at the meeting of Members or proxies entitled to cast sixty (60%) percent of the total vote of the Membership shall constitute a quorum. If the required quorum is not present at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such subsequent meeting shall be the presence of Members or proxies entitled to cast twenty-five (25%) percent of the total vote of the membership of the Association.

Section 9. Date of Commencement of Annual Assessment. Due Date. Notwithstanding anything in the foregoing to the contrary, the Annual Assessments provided for herein shall commence no earlier than January 1, 1989. Persons becoming members subsequent to January 1 of each year shall pay assessments prorated as of the date of initial membership.

Section 10. Duties of the Board of Directors. The Board of Directors of the Association shall fix the amount of the assessments against each Residential Lot, Family Dwelling Unit, Multiple Family Tract, Public or Commercial Site, Public or Commercial Unit, Development Unit Parcel, or Unsubdivided Land, within the assessment schedule as provided hereinabove,



and shall at that time direct the preparation of an index of the properties and assessments applicable thereto which shall be open to inspection by any Member. Written notice of assessment shall thereupon be sent to every Member subject thereto.

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

Section 11. Effect of Non-Payment of Assessment:  
The Personal Obligation of the Owner, the Lien; Remedies of Association. If the assessment is not paid on or before the past-due date specified in Section 3 (d) of Article V hereof, then such assessment shall become delinquent and shall (together with interest thereon at the maximum annual rate permitted by law from the due date and cost of collection thereof as hereinafter provided) become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made, in the hands of the then Owner, his heirs, devisees, personal representatives, tenants, and assigns.

If the assessment is not paid within thirty (30) days after the past-due date, the Association may bring an action at law against the Owner personally and there shall be added to the amount of such assessment the cost of preparing and

filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and attorney's fees, calculated by hourly rates customarily charged from time to time by Dorchester County attorneys, together with the costs of the action.

Section 12. Subordination of the Lien to Mortgage.

The Lien of the assessments provided for herein shall be subordinate to the lien of any mortgage now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which accrued subsequent to the date of such mortgage and which have become due and payable prior to a sale or transfer of such property pursuant to foreclosure, or any other proceedings or deed in lieu of foreclosures. The subordination established by this Section 12 shall be limited to a period of one (1) year and shall not apply to assessments accruing subsequent to the first anniversary date of the date the exempted mortgagee received title to the assessed property.

Section 13. Exempt Property. The following property, individuals, partnerships or corporations subject to this Declaration shall be exempted from the assessment, charge and lien created herein:

(a) The grantee in conveyances made for the purpose of granting utility easements;

(b) All Common Properties, Restricted Common Properties, and Purchased Common Properties as defined in Article I hereof; and

(c) All lands and improved property which are exempted from being Unsubdivided Land and set forth and described in Paragraph (i) (2) of Article I hereof.

Section 14. Annual Statements. The President, Treasurer, or such other officer as may have custody of the funds of the Association shall annually, within ninety (90) days after the close of the fiscal year of the Association, prepare and execute under oath a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs and expenses. It shall be necessary to set out in the statement the name of any creditor of the Association; provided, however, that this requirement shall be construed to apply only to creditors of more than \$1,000.00. Such officer shall furnish to each Member of the Association who may make request therefor in writing a copy of such statements within thirty (30) days after receipt of such request. Such copy may be furnished to the Member either in person or by mail.

Section 15. Annual Budget. The Board of Directors shall prepare and make available to all Members at least thirty (30) days prior to the Annual Meeting a budget outlining anticipated receipts and expenses for the following



fiscal year. The financial books of the Association shall be available for inspection by all Members at all reasonable times.

## ARTICLE VI

### FUNCTIONS OF ASSOCIATION

Section 1. Ownership and Maintenance of Common Properties and Restricted Common Properties. The Association shall be authorized to own and/or maintain (subject to the requirements of the Town Council of the Town of Summerville, Dorchester County, South Carolina) Common Properties and Restricted Common Properties, equipment, furnishings, and improvements devoted to the following uses:

(a) For roads and roadways and parkways along said roads or roadways throughout the Properties;

(b) For sidewalks, walking paths or trails, bicycle paths, and bridle paths throughout the properties;

(c) For transportation facilities throughout the Properties and other authorized areas other than privately owned automobiles (e.g., buses, electric vehicles, etc.);

(d) For security and fire protection services, including security stations, maintenance building and/or guardhouses, police equipment and fire stations and fire fighting equipment; and buildings used in maintenance functions;

(e) For providing any of the services which the Association is authorized to offer under Section 3 of this Article;

(f) For purposes set out in deeds by which Common Properties and Restricted Common Properties are conveyed to the Association, provided that such purposes shall be approved by the Members of the Association as set out in Section 5 of this Article;

(g) For lakes, play fields, tennis and golf facilities, wildlife areas, fishing facilities and other recreational facilities of any nature, and community meeting facilities serving the Properties; and

(h) For water and sewage facilities and any other utilities, if not adequately provided by a private utility, Dorchester County, or some other public body.

Section 2. Ownership and Maintenance of Purchased Common Properties. The Association shall be authorized to purchase, own, operate, and maintain properties following approval of the Members pursuant to the requirements of Section 5 of Article IV hereof. The Association shall be authorized to maintain Purchased Common Properties from receipts of Annual Assessments or Special Assessments.

Section 3. Services. The Association shall be authorized (unless prohibited by requirements of the County Council of Dorchester County, South Carolina) but not required to provide the following services:

(a) Cleanup and maintenance of all roads, roadways, roadway medians, parkways, lakes, and other Common Properties and Restricted Common Properties, within the Properties and also all public properties which are located within or in a reasonable proximity to the Properties such that their deterioration would affect the appearance of the Properties as a whole;

(b) Landscaping of roads and parkways, sidewalks and walking paths and any Common Properties or Restricted Common Properties;

(c) Lighting of roads, sidewalks and walking paths throughout the Properties;

(d) Security, including, but not limited to, the employment of security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the "Properties" and assistance in the apprehension and prosecution of persons who violate the laws of South Carolina within the Properties;

(e) Insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the state and local governments;

(f) The services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this document;

(g) Maintenance of all ponds, lakes and lagoons located within the properties;

(h) To take any and all actions necessary to enforce all covenants and restrictions affecting the Properties and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Properties;

(i) To set up and operate an architectural review board in the event that the Association is designated by the Company as the agent of the Company for such purpose;

(j) To construct improvements on Common Properties or Restricted Common Properties for use for any of the purposes or as may be required to provide the services as authorized in this Article;

(k) To provide administrative services, including, but not limited to, legal, accounting and financial; and communication services informing Members of activities, notice of meetings, referendums, etc., incident to the above-listed services;

(l) To provide liability and hazard insurance covering improvements and activities on the Common Properties, Restricted Common Properties, and Purchased Common Properties;

(m) To provide water, sewage and any necessary utility services not provided by a public body, private utility or the Company;

(n) To provide, conduct, or maintain water pollution abatement measures;

(o) To exercise any rights reserved by the Company and transferred by the Company to the Association; and

(p) To provide any or all of the above-listed services to another Association of Owners of real property under a contract, the terms of which must be approved by the Board of Directors.

Section 4. Reduction of Services. By the end of the calendar year of 1992, the Board of Directors of the Association shall define and list a minimum level of services which shall be furnished by the Association, and submit the same to the Members at the 1992 annual meeting. So long as the Company is engaged in the development of properties which are subject to the terms of this Declaration, the Association shall not reduce the level of services it furnishes below such minimum level.

Such minimum level of services shall expressly include an obligation of the Association to maintain roadways and drainage facilities in a functional and acceptable condition until such time as roadways and/or drainage facilities may be dedicated to and accepted by the public.

Section 5. Obligation of the Association. The Association shall not be obligated to carry out or offer any of the functions and services specified by the provisions of this Article except as specified in Section 4 of this Article. The functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking

into consideration the funds available to the Association and the needs of the members of the Association. Special Assessments shall be submitted for referendum as herein provided. Subject to the provisions of Section 4 immediately above, the functions and services which the Association is authorized to carry out or to provide may be added or reduced at any time upon the affirmative vote of fifty-one (51%) percent or more of those voting in a Referendum within Type A, B, and C Members conducted by the Board of Directors under the same procedures as for a Special Assessment. However, if any referendum for the deletion of a service to Type D Members, such Members shall also be entitled to vote.

Section 6. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association, which loans shall be used by the Association in performing its authorized functions. The Company may make loans to the Association subject to approval by the Company of the use to which such loan proceeds will be put and by the terms pursuant to which such loans will be repaid. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the limits of the Annual Assessment below that provided as the Maximum Annual Assessment in Article V, Section 3 (a), at any time there are outstanding any amounts due the Company as repayment of any loans made by the Company to the Association.



ARTICLE VIIARCHITECTURAL STANDARDS

All property which is now or may hereafter be subjected to this Declaration is subject to architectural review. This review shall be in accordance with this Article. The Board of Directors shall establish an Architectural Review Board. The Board of Directors shall have the authority and standing on behalf of the Association to enforce in courts of competent jurisdiction decisions of the ARB.

Section 1. Architectural Review Board. The Architectural Review Board shall be composed of at least three (3) but not more than five (5) members, all of whom shall be appointed by the Board of Directors of the Association. At least one (1) member of the Association other than the officers, employees or agents of the Declarant shall be a member of the Architectural Review Board at all times. The ARB shall be appointed annually.

Section 2. New Construction. The Architectural Review Board (ARB) shall have exclusive jurisdiction over all original construction on any portion of the Properties. The ARB shall promulgate Architectural Standards and Application Procedures. It shall make both available to owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Properties and shall conduct its operations in accordance therewith.

Section 3. Modifications. The ARB shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Residential Units or structures containing Residential Units and the open space, if any, appurtenant thereto; provided, however, that the ARB may delegate this authority to a committee, so long as the ARB has determined that such committee has in force written review and enforcement practices, procedures, and appropriate written guidelines and standards at least equal to those of the ARB. Such delegation may be revoked and jurisdiction reassumed at any time by written notice; provided, further, the committee shall not have jurisdiction over modifications or alterations made by the Declarant or its successor.

Section 4. Standards, Procedures and Guidelines. The ARB shall promulgate detailed standards and procedures governing its area of responsibility and practice. In addition thereto, the following shall apply: plans and specifications showing the nature, kind, shape, color, size, materials and location for such new construction, modifications, additions, or alterations, shall be submitted to the ARB, or its designee in the case of modifications, additions or alterations, for approval as to quality of workmanship and design and harmony of external design with existing structures and as to location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an owner to remodel the interior of his

residence or to paint the interior of his residence any color desired. In the event the ARB fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

#### ARTICLE VIII

##### GENERAL PROVISIONS

Section 1. Duration. The Covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Company, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five (25) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited and this Declaration shall be automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial twenty-five (25) year period or during the last year of any subsequent ten (10) year renewal period three-fourths (3/4) of the votes cast at a duly held

meeting of the Association vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such a proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given each Member at least thirty (30) days in advance of said meeting. In the event that the Members of the Association vote to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be made of record and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

Section 2. Amendments. The Company specifically reserves the right to amend this Declaration, or any portion thereof, on its own motion, from the date hereof until it no longer owns any of the properties, so long as the voting power of existing Members is not diluted thereby. Thereafter, the

procedure for amendment shall be as follows: All proposed amendments shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if two-thirds (2/3) of the votes cast at such meeting vote in favor of such proposed amendment. Notice shall be given each Member at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute an Addendum to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event shall be less than sixty (60) days after the date of the meeting of the Association at which such amendment was adopted), the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes or members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt the amendment, the total number of votes cast in favor of such amendment, and the total number of votes cast against the amendment. Such Addendum shall be made of record.

So long as the Company, as the Type E Member, is entitled to elect a majority of the members of the Board of Directors of the Association, no amendment of this Declaration shall be made without the consent of the Company.

The quorum required for any action authorized to be taken by the Association under this Section 2 shall be as follows:

The first time any meeting of the Members of the Association is called to take action under this Section 2, the presence at the meeting of the Members of proxies entitled to cast sixty (60%) percent of the total vote of the Membership shall constitute a quorum. If the required quorum is not present at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such subsequent meeting shall be the presence of Members of proxies entitled to cast fifty (50%) percent of the total vote of the Association.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by these covenants; and failure by the Association or any Member or the Company to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter.

Section 4. Interpretation. The Board of Directors of the Association shall have the right to determine all questions arising in connection with this Declaration of



Covenants and Restrictions and to construe and interpret its provisions, and its determination, construction, or interpretation shall be final and binding. In all cases, the provisions of this Declaration of Covenants and Restrictions shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.

Section 5. Severability. Should any covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase, or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 6. Authorized Action. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the By-Laws of the Association unless the terms of this instrument provide otherwise.

Section 7. Notices. Any notice required to be sent to any Member under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper first class postage