

River Hills Golf and Country Club Property Owners Association

Summary of Restrictions and Covenants

*This document is intended only to be used for
reference and guidance. All properties within the
subdivision remain subject to the declaration as
amended and recorded at the Horry County
Register of Deeds*

Amended 9/2018

**River Hills Golf And Country Club
Summary Of Restrictions And Covenants**

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This document is intended for only to be used for reference and Guidance. All properties within River Hills Golf and Country Club are subject to the declaration as amended and recorded in the Register of Deeds office, Horry County, South Carolina. Compiled by River Hills Property Owners Association 9/13/2007.

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INTRODUCTION

The original Declaration of Restrictions and Protective Covenants for River Hills Golf and Country Club became effective in 1988 and has been subsequently amended on twenty-two occasions (collectively, the "Declaration"). The Association has prepared this summary in an effort to consolidate and simplify the numerous additions and modifications to the original Declaration. This document does not replace Declaration and its amendments. Instead, this is intended only to be used for reference and guidance. All properties within the subdivision remain subject to the Declaration, as amended and recorded at the Register of Deeds, Horry County, South Carolina.

DEFINITIONS (Article I)

As used in the Declaration, the following words and terms have the following meanings: x. "Annual Assessments" or "Assessments" refers to an equal assessment established by the Board of Directors for common expenses as provided for herein or by a subsequent amendment which shall be used for the purpose of promoting the recreation, common benefit and enjoyment of the Owners and occupants of all Lots.

2. The "Association" refers to River Hills Property Owners Association, Incorporated, a South Carolina not for profit Corporation, its successors and assigns.
3. "Common Area" means all the real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association includes the roadways and certain open areas shown on the maps referenced in the Declaration.
4. "Limited Common Area" refers to any areas so designated in the Declaration and shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all of the Owners and shall be available for use by other associations, which may be established for the maintenance and regulation of other developments.
5. "Lot" refers to any plot of land, with delineated boundary lines appearing on any recorded subdivision map of the Properties with the exception of any Common Area shown on a recorded map. In the event any Lot is increased or decreased in size by re-subdivision, the same shall nevertheless be and remain a Lot for the purposes of this Declaration; however, a Lot may not be subdivided if prohibited by the Declaration. A Single-family Home residence or Villa Home (AKA Patio Home) shall be known as a Lot. In the event that an Owner desires to combine two (2) or more adjoining Lots for the purpose of constructing and maintaining a single residence thereon, the resulting combined Lots shall from that date forward be deemed one Lot for the purposes of the Declaration.
6. "Member" shall mean and refer to every person or entity who holds membership in the Association, as provided in the Declaration. "Owner" shall mean and refer to the record owner,

whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

7. "Properties" shall mean and refer to all real property subject to the Declaration and brought within the jurisdiction of the Association.

8. "Setback" refers to an area along the boundary of a Lot where no building shall be permitted, without the express written permission of the Association.

9. "Special Assessment" shall mean and refer to assessments levied for, generally, Common Areas, upon approval of a majority of the Board of Directors of the Association and upon approval of 2/3 of the Members of the Association, in an amount not to exceed the amount of the current annual assessment per lot. (See, Article VIII, Section 3 of this Declaration, as amended).

10. The Declaration contains additional terms and definitions and for a more complete summary of definitions please see the original documents.

**PROPERTY "WITHIN THE JURISDICTION OF RIVER HILLS PROPERTY OWNERS
ASSOCIATION (Article II)**

The Association, pursuant the Declaration, retains jurisdiction of all real property which is and shall be held, transferred, sold, conveyed and occupied within the River Hills Golf and Country Club subdivision. The property has been periodically expanded through annexations and amendments to the Declaration, the legal descriptions of which can be viewed in the original Declaration's Exhibit A, as well as Amendments 1-13, and 14-20. Article II, Section 2 also provides the manner by which the Association may merge or consolidate with another association.

ANNEXATION OF ADDITIONAL PROPERTY (Article III)

1. Annexation with Approval of the Membership. Subject upon the affirmative vote of Members or Alternates representing a majority votes of the Association at a meeting duly called for such purpose the Association may annex real property by way of subsequent amendment, except as otherwise provided in the Declaration. Any such Subsequent Amendment shall be signed by the President and the Secretary of the Association, and the owner of the properties being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property and to ascertain the presence of a quorum at such meeting.

2. Acquisition of Additional Common Area. The Association may acquire additional real estate, improved or unimproved, located within the properties described in Exhibit "B" of the original Declaration which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

3. Cost Analysis. A cost analysis to be supplied by a developer and any other information as deemed necessary by the Board of Directors.

MEMBERSHIP AND VOTING RIGHTS (Article IV)

1. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.
2. The voting rights of the membership shall be appurtenant to the ownership of the Lots. Members shall be all Owners. Each Member, in good standing, shall be entitled to one (1) vote for each Lot owned. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any one Member.

**PROPERTY RIGHTS IN THE COMMON AREAS AND LIMITED COMMON AREAS
(Article V)**

1. Members Easements. Each Member, and each tenant, agent and invitee of such member shall have a permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the roadways from time to time laid out on the Common Areas, for use in common with all other such Members, their tenants, agents, and invitees. The portions of the Common Areas not used from time to time for roadways shall be for the common use and enjoyment of the Members of the Association, and each member shall have a permanent and perpetual easement for pedestrian traffic across all such portions of such tracts as may be regulated by the Association. In the case of a Limited Common Area, the use of the Limited Common Area is subject to the rights of others who may be entitled to the use thereof. Further, each Member, tenant, agent and invitee of each such Member shall have a non-exclusive permanent and perpetual easement for ingress and egress over and across the entrance road. These easements shall be appurtenant to and shall pass with the title to each Lot.
2. Public Easements, Fire, police, health and sanitation, and other public service personnel and vehicles shall have a permanent and perpetual non-exclusive easement for ingress and egress over and across the Common Areas.
3. Maintenance. The Association shall at all times maintain in good repair, and shall repair or replace as often as necessary, the paving, drainage structures, street lighting fixtures, landscaping, and amenities (except utilities) situated on the Common Areas. The Board of Directors acting on a majority vote shall order all work to be done and shall pay for all expenses including all electricity consumed by the lighting located in the Common Areas and Limited Common Areas and all other common expenses. All such work and expenses shall be paid for by the Association through

assessments imposed in accordance with the Declaration. Maintenance shall not include paving and maintenance of individual Lot driveways, which shall be maintained by each owner. The Association may delegate or transfer its maintenance obligations to a governmental authority under such terms and conditions as the Board of Directors may deem in the best interest of the Association,

4. Utility Easements. Use of the Common Areas for utility easements, shall be in accordance with the applicable provisions of this Declaration.

5. Delegation of Use: (a) Family. Members of the Owners' family who occupy the residence of the Owner within the properties may exercise the right and easement of enjoyment granted to every Owner; (b) Tenants. The right and easement of enjoyment granted to every Owner may be delegated by the Owner to his tenants who occupy a residence within the Properties. (c) Guests. Recreational facilities, if any, situated upon the Properties may be utilized by guests of Owners or tenants subject to the rules and regulations of the Association governing said use and as established by its Board of Directors. Provided, however, that this Section shall not give any owner or guest the right to use any golf course or recreational facilities located within the River Hills Property.

6. Ownership. The Association shall be responsible for the maintenance of all Common Areas. All real estate taxes against the Common Areas shall be assessed against and payable by the Association, as shall any personal property taxes on any personal property owned by the Association. The Association shall have the right from time to time to enter upon the Common Areas and adjoining properties during periods of construction for the purpose of construction of any facilities on the Common Areas which the Association elects to build. The Owner of a Lot shall have no personal liability for any damage for which the Association is legally liable or arising out of or connected with the existence or use of any Common Areas or any other property required to be maintained by the Association. Limited Common Areas may, from time to time be conveyed to the Association subject to the rights of others as set out in the Declaration, Article I, Section 4-

SPECIAL RESTRICTIONS AFFECTING GOLF FAIRWAY RESIDENTIAL AREAS

(Article VI)

1. Golf Fairway Defined. "Golf Fairway Residential Areas" is defined as all those residential Lots or tracts or blocks of land intended for residential development located adjacent to any golf course located in River Hills.
2. Landscape Requirements. That portion of any Fairway residential Lot or residential tract within twenty (20) feet of the Lot or tract line bordering the golf course shall be in general conformity with the overall landscaping pattern for the golf course fairway area established by the golf course architect. All individual Lot landscaping plans must be approved by the Association before implementation.
3. Golf Course Maintenance Easement. There is reserved to the Golf Course, its successors or assigns, a "Golf Course Maintenance Easement Area" on each Lot or tract adjacent to any golf course located in River Hills, shall be a minimum of five (5) feet. This reserved easement shall permit the Golf Course at its election, to go onto any Golf Course Maintenance Easement Area for the purpose of landscaping or maintaining said area. Such maintenance and landscaping may include regular

removal of underbrush, trees less than five (5) inches in diameter, stumps, trash or debris, planting of grass watering, application of fertilizer, and mowing the Easement Area. This Golf Course Maintenance Easement Area shall be limited to the portion of such Lots within twenty (20) feet of the Lot line(s) or tract line bordering the golf course, or such lesser area as may be shown as a "Golf Course Maintenance Area". The described maintenance and landscaping rights shall apply to the entire Lot or tract until there has been filed with the Developer a landscaping plan for such Lot or tract by the Owner thereof, or alternatively, a residence constructed on the Lot or townhouses constructed on any tract. Once a landscaping plan has been filed with the Developer or a residence, the Golf Course Maintenance Easement shall be limited to the portion of the Lot within twenty (20) feet of the Lot line(s) or tract line bordering the golf course or such lesser area as set out above.

4. Permissive Easement Prior to Dwelling Construction. Until such time as a residence is constructed on a Lot, the Association reserve an easement to permit and authorize registered golf course players and their caddies to enter upon a Lot to recover a ball or play a ball, subject to the official rules of the course, without such entering and playing being deemed a trespass. After a Dwelling Unit is constructed, the use of such easement shall be limited to the recovery of balls only. No play shall be permitted in such Easement Area. Golfers or caddies shall not be entitled to enter any such Lot with a golf cart or other vehicle, nor spend unreasonable time on such Lot, or in any way commit a nuisance while on such Lot.

Distracting Activity Prohibited. Owners of Golf Fairway Lots or Dwelling Units adjacent to golf fairways shall be obligated to refrain from any actions which would detract from the playing qualities of the golf course or the development of an attractive overall landscaping plan for the entire golf course area. Such prohibited actions shall include, but are not limited to, such activities as the maintenance of unfenced dogs or other pets on the Lot or residential tract adjacent to the golf course under conditions interfering with play due to their loud barking, running on the fairways, picking up balls or other like interference with play. No fences shall be allowed on Lots bordering the Golf Course, except as required by governmental authority.

6. Reserved Approval Rights. The Association, hereby reserves the right to allow an Owner to construct a dwelling over a portion of the "Golf Course Maintenance Easement Area" in- those cases where it, in its uncontrolled discretion, determines that such construction will not materially lessen the beauty or playing qualities of the adjacent golf course.

COVENANT FOR MAINTENANCE ASSESSMENTS (ARTICLE VIII)

1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, other assessments to be established and collected as may be provided in the Declaration, and fines imposed upon offenders for the violations of the rules and regulations of the Association.

2. Purposes of Assessments. The assessments levied by the Association shall be used to promote the comfort and live ability of the residents of the Properties and for the acquisition, improvement and maintenance of properties, services and facilities devoted to these purposes and related to enjoyment of the Common Area, including but not limited to, the cost of repair, replacement and additions to the Common Areas, the cost of labor, equipment, materials, management and supervision hereof, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance, the employment of attorneys to represent the Association when necessary and such other needs as may arise. The Owner shall maintain the structures and grounds on each Lot at all times in a neat and attractive manner. Upon the Owner's failure to do so, the Association may at its option after giving the Owner ten (10) days' written notice sent to his last known address or to the address of the subject premises, have the grass, weeds, shrubs and vegetation cut when the same is necessary in its judgment, and have dead trees, shrubs and plants removed from such Lot, and replaced, and may have any portion of the Lot re-sodded or landscaped, and all expenses of the Association for such work and materials shall be a lien and charge against the Lot on which the work done and the personal obligation of the then Owner of such Lot. Upon the Owner's failure to maintain the exterior of any structure in good repair and appearance, the Association may, at option, after giving the Owner thirty (30) days written notice sent to his last known address, make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately and owing from the Owner of the Lot and shall constitute an assessment against the Lot on which the work was performed, collectible in a lump sum and secured by a lien against the Lot as herein provided. The Association's right to maintain a home site upon the Owner's failure to maintain shall not be construed as an obligation. Any entry upon the property for maintenance or security purposes shall not be deemed a trespass.

3. Capital improvements. Funds necessary for capital improvements and other designated purposes relating to the Common Areas under the ownership of the Association may be levied by such Association as special assessments, upon the approval of a majority of the Board of Directors of such Association and upon approval by the Voting Members representing two-thirds of the Members of such Association voting at a meeting or by ballot as may be provided in the By-Laws of such Association. The Board of Directors may, in emergency situations, levy a special assessment not to exceed the amount of the current annual assessment per lot. This authorization can be exercised once during the fiscal year.

4. Capital Contribution. Each Owner of a Lot shall be assessed at closing an amount equal to one-sixth (1/6) of the annual assessment for start-up costs, or \$100, whichever is greater, for start up costs which shall be designated a Capital Contribution. If any adjoining lots are combined at the time of closing as provided in Article IX, Section 1, the Owner of such Lot shall be assessed one (1) Capital Contribution.

5. Annual Assessments. Annual Assessments commence on the first day of January of each year, or upon the closing of each Lot, whichever is later.

The Assessments shall be payable in monthly, quarterly, semiannual or annual installments as determined periodically by the Board of Directors of the Association. Each Lot shall be assessed an equal Annual Assessment.

The assessment amount may be changed at any time by said Board from any other assessment that is adopted. The assessment shall be for the calendar year, but the amount of the annual assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months remaining in such calendar year.

The due date of any special assessment shall be fixed by the Board.

6. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against the Lots subject to the Association's jurisdiction for each assessment period at least thirty (30) days in advance of such date or period, and shall, at the time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Any increase in the Annual Assessment applicable to the Lots which is less than an increase of thirty (30%) percent over the immediately preceding year's assessment may be made by the Board of Directors without the consent or approval of the Members and any such increase that exceeds thirty (30%) percent, excluding insurance, reserves, utilities and Acts of God, shall be effective only if approved by at least two-thirds (2/3) of the Voting Members.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

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

The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporations for management services. The Association shall have all other powers provided in its Articles of Incorporation and By Laws.

7. Effect of Non-Payment of Assessment. If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with such interest thereon and the cost of collection thereof, become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. Every Purchaser of a Lot shall be required to determine the status of the Lot Assessment at the time of purchase and shall be deemed to assume any outstanding assessment not paid by the Seller at the time of closing.

If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date when due at the highest allowable rate of interest and the Association may bring an action at law against the Owner personally obligated to pay the same or may record a claim of lien against the property on which the assessment is unpaid, or may pursue one or more of such remedies

at the same time or successively, and there shall be added to the amount of such assessment attorneys fees and costs of preparing and filing the claim of lien and the complaint in such action, and event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the court together with the costs of the action and the Association shall be entitled to attorneys' fees in connection with any appeal of any such action.

Further, the Owner and all persons acquiring the title to or an interest in a Lot as to which the assessment is delinquent, including, without limitation, persons acquiring title by operation of law and by judicial sales, shall not be entitled to the enjoyment and use of recreational facilities, if any, until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid. It shall be the legal duty and responsibility of the Association to enforce payment of the assessments.

8. Subordination of the Lien to Mortgages. The lien of the assessments provided for in this Article VII shall be subordinate to the lien of any mortgage recorded prior to recordation of the claim of lien, which mortgage encumbers the Lot to any institutional lender and which is now or hereafter placed upon any property subject to assessments; provided however, that any mortgagee when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and all persons claiming by, through or under such purchaser or mortgagee shall hold title subject to the liability and lien of any assessment becoming due after such foreclosure. Any unpaid assessment which cannot be collected as a lien against any Lot by reason of this section, shall be deemed to be an assessment divided equally among, payable by, and a lien against all Lots subject to assessments by the Association, including the Lots as to which the foreclosure took place.

9. Access at Reasonable Hours. For the purpose solely of performing the maintenance and work, the Association, through its duly authorized agents or employees or independent contractors, shall have the right, to enter upon any Lot at reasonable hours on any day except Sunday, or at any time in case of an emergency. Such entry shall not be deemed a trespass.

ARCHITECTURAL REVIEW BOARD (Article IX)

The Architectural Review Board serves at the discretion of the Board of Directors of the Association.

Therefore, while the Architectural Review Board is a separately defined entity, it is under the jurisdiction of the Association, answers to the Board of Directors of the Association, and thereby, all of the property owners of the community.

No building, wall, fence, ornamentation or other structure or improvements of any nature shall be erected placed or altered on any Lot until the construction plans and specifications and a plan Showing the location of the Structure and landscaping as may be required by the Architectural Review Board have been approved in writing by the Architectural Review Board. Each building, wall, fence or other structure or improvements of any nature, together with any ornamentation or landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications

and plot plan so approved. Refusal of approval of plans, specifications and plot plans, or any of them, may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of said Architectural Review Board seem sufficient. Any change in the appearance of any building, wall, fence or other structure or improvements and any change in the appearance of the landscaping (excepting the planting of flowers and shrubs indigenous to the area, shall be deemed an alteration requiring approval. The Architectural Review Board shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph. The Architectural Review Board shall be appointed by the Board of Directors of the Association.

A majority of the Architectural Review Board may take any action said Board is empowered to take, may designate a representative to act for the Architectural Review Board, and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Architectural Review Board, the remaining members shall have full authority to designate a successor with written approval of the Board of Directors of the Association. The members of the Architectural Review Board shall not be entitled to any compensation for services performed pursuant to this covenant. The Architectural Review Board shall act on submissions to it within thirty (30) days after receipt of same, or else the request shall be deemed approved. Requests and submissions shall, however, be in such form and contain such information as the Architectural Review Board may require prior to its being required to act.

The Architectural Review Board may establish a fee to cover the expense of reviewing plans and related data at the time plans are submitted for review in order to compensate any consulting architects, landscape architects, urban designers or attorneys.

Any Owner may appeal the decision of the Architectural Review Board provided that all parties involved comply with the decision of the Architectural Review Board until such time, if any, as the Board of Directors amends, or reverses the Architectural Review Board's decision. Appeals petitions must be legibly written state the grounds for appeal and be submitted to the Board of Directors within ten (10) days of receipt of notice of the decision of the Architectural Review Board. The Board of Directors shall act upon the appeal by amending, reversing or confirming the decision of the Architectural Review Board within fifteen (15) days of receipt of the petition. The Board of Directors' decision shall be by majority vote. Any owner must exhaust this avenue of appeal prior to resorting to a court of law or equity for relief.

The paint, coating, stain and other exterior finishing colors on all buildings may be maintained as that originally installed, without prior approval of the Architectural Review Board, but prior approval by the Architectural Review Board shall be necessary before any such exterior finishing color is changed. No building shall be more than three (3) stories or a height of thirty-five (35) feet.

No occupancy shall be permitted or certificate of occupancy issued until the dwelling and the lot improvements have passed final inspection of the Architectural Review Board.

USE RESTRICTIONS
(Article X, 14th, 21st & 22nd Amendments)

- 1. Land Use.** Except for areas designated for commercial use, all Lots shall be used for residential purposes only. Other developers may request authority to operate similar facilities from the Board of Directors by submitting a request through the Architectural Review Board. The request will include a complete outline of the proposed operation, hours and days of operation, staffing, facility(s) to be used, specific descriptions of any signs or other advertising devices to be used including size, number, locations and length of display period. No Lot may be subdivided or its boundaries changed where the result would be a decrease in the size of any Lot. In the event that an Owner combines two (2) or more adjoining Lots for the purpose of constructing a single residence thereon, from that date forward, the resulting Lot shall not be subdivided or its boundaries changed so as to result in a decrease in the size of the Lot.
- 2. Nuisance.** No noxious, illegal or offensive activity shall be conducted upon any Lot or in any dwelling nor become an annoyance or nuisance to the neighborhood. No burning of any materials, whatsoever, such as but not limited to leaves, debris, trash or refuse. No garage sale/tag sale/yard sale is permitted without prior written approval of the Covenants Committee. Such sales must be confined to the interior of the house.
- 3. Pets.** Owners may keep as pets: Companion pets such as birds, domesticated cats, fish, dogs and other small mammals. No Owner may keep exotic cats, non-human primates, horses or other farm livestock or zoo type animals on the Property. Pets must be on a leash, under the owner's immediate control, confined or carried when the pet is not on the owner's property. It shall be the Owner's obligation to dispose of waste material from pets. The Board of Directors of the Association shall have the right to order the removal of any pet, which, in the Board's sole discretion, is considered a nuisance, and the same shall be done without compensation to the Owner. In such event, the Board shall give written notice thereof to the pet owner, and the pet shall immediately thereafter be permanently removed from the Property. A pet not on a leash, confined or carried and off the Owner's property shall be deemed a nuisance. Failure to dispose of the waste material from a pet shall be deemed a nuisance.
- 4. Gardens.** No fruit or vegetable gardens shall be permitted to be planted in the front or side yard areas of any Lot. No fruit or vegetable gardens may be planted or prepared without express written consent of the architectural Review Board.
- 5. Temporary Structures.** No structure of a temporary nature shall be erected or allowed to remain on any Lot unless and until the Architectural Review Board, or its designated agent or representative has granted permission for the same.
- 6. Use of Common Area.** The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Association.
- 7. Access to Lot.** In addition to easements granted elsewhere, the Association, its agents or employees shall have access to all Lots from time to time during reasonable working hours, upon oral or written notice to the Owner, as may be necessary for the maintenance, repair or replacement of any

portion of the Common Area, or facilities situate upon each Lot which serve another Owner's Lot. The Association or its agent shall also have access to each Lot at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Area or another Lot.

8. Recreational Vehicles. Boats, Trailers. No campers, tracks, recreational vehicles, trailers, boats, motorbikes, motorcycles or tractors may be parked or kept within the Properties for more than 24 hours unless parked within an enclosed garage or within area(s) designated for such use by the Association and subject to the rules of the Association. Campers, recreational vehicles, or boats may be kept within the properties for not more than two (2) twenty-four hour periods per month. Provided, however, that this shall not be implied to obligate the Association to provide such areas.

9. Signs. No signs or other advertising devices shall be displayed upon any Lot which are visible from the exterior of the dwelling thereon or on the Common Area, or in the facilities thereon, without prior written permission of the Association. One sign designating the general contractor shall be allowed to be placed on a lot during the period of construction. The Architectural Review Board must approve all signs prior to placement. Upon completion of the improvements, the sign shall be removed. Completion shall be determined in the sole discretion of the Architectural Review Board. Contractor signs shall only be allowed to be displayed during the initial construction and shall not be allowed to be placed on the property' during renovation or remodeling projects.

The placement of security signs is allowed as long as they are placed in an inconspicuous, functional location. The Architectural Review Board must give approval of the location.

10. Mailboxes. No mailbox may be placed on any Lot until the Architectural Review Board has approved it.

11. Garbage Disposal. All garbage shall be stored within the residence of each Owner or in storage facilities provided for said residence at the time same is constructed. The storage area must be visually screened in order to conceal it from view from the road and adjacent properties. No Owner may change or supplement the garbage disposal facilities provided for such Owner's residence on the, date of completion of construction thereof unless the Board of Directors of the Association shall first approve in writing the change or addition to the method of storage. It is provided, however, that if the public health authorities, or other public agency, shall require a specific method of garbage disposal, nothing herein contained shall prevent the compliance by Owners with the obligatory public rules and regulations.

12. Antennas and Satellite Dishes. No exterior television or citizens band radio antennas shall be permitted on any Lot nor shall any "satellite dishes" be permitted upon any Lot without the express written permission of the Architectural Review Board. Small (18 inches or less) satellite dishes are allowed, however, before installation an alteration request must be submitted to the Architectural Review Board for review and approval.

13. Regulations. There were no regulations promulgated by the developer governing the use of Common Areas.

14. Fences. No chain link fences shall be permitted on any Lot or any part thereof. No fences of any kind may be located on any Lot without the prior written permission of the Architectural Review Board, except as required by governmental authorities including, but not limited to, fencing around swimming pools. The design and materials used for any fence must be approved by the Architectural Review Board prior to placement on the property.

15. Vehicle Storage. No inoperative vehicle or vehicle in a state of noticeable disrepair shall be kept or stored upon any Lot of Common Area nor may any repair work be done to any motor vehicle, boat or trailer upon any Lot or Common Area except for very minor repair work.

16. Parking. Each Owner shall provide paved space for off-street parking. No parking shall be allowed on any unpaved space. On-street parking is prohibited between 2 a.m. and 6 a.m.

17. Water and Sewer Systems. No individual water or sewer system shall be installed on any Lot. Each Lot must be connected to a public water and/or sewer system in lieu of any individual systems whatsoever. Water may not be diverted or taken from lagoons for yard maintenance or for any other purpose. Lawn pumps, wells for lawn irrigation and irrigation systems may be installed on a lot after approval by the Architectural Review Board. The design of any pump house located on any lot must also be approved by the Architectural Review Board.

18. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, or mining operations of any kinds shall be permitted upon any Lot, not shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

19. Lighting. No mercury vapor or similar lights which are situate upon poles similar to street lights shall be permitted on any Lot without the prior written consent of the Architectural Review Board which may decline such permission in its sole discretion and may, but shall not be obligated to, consider the feelings of adjoining Lot owners.

20. Trees. Except as may be approved by the Architectural Review Board, no tree four (4) inches in diameter or ten (10) feet in height shall be cut, removed or intentionally damaged on any Lot unless such tree interferes with construction of improvements, is dead or diseased, or presents a hazard to persons and property.

21. Erosion Control. Each Owner shall provide an erosion control system to prevent soil erosion or sediment run-off from his lot onto any adjacent lot, waterway or roadway. Owner shall take whatever actions are necessary to prevent erosion including, but not limited to silt fencing during construction if necessary. All erosion control plans shall be approved by the Architectural Review Board.

22. Firearms. The discharging of firearms, of any kind, is strictly prohibited within River Hills. Violations, which are against state law, will subject the violators to POA fines and prosecution by Horry County Police

23. Traffic Laws. Strict adherence to the posted 25-MPH speed limit and stop signs and all other traffic laws of the State of South Carolina will be enforced within River Hills. Violators will be subject to tickets and POA fines.

24. Outdoor -Decorations. The exhibition of patriotism is encouraged. Tile American Flag may be flown at any time in a manner appropriate to its display. Only one additional symbolic, special event, or seasonal flag, banners or windsock may be displayed in addition to the American Flag. Any outdoor decorative items must be appropriate to the season, removed promptly upon passing of the season or event, be kept in good repair and be in keeping with the aesthetic of River Hills as determined by the Board of Directors of the Association.

EASEMENTS AND SETBACKS
(Article XI, 14th & 21st Amendments)

1. Easements for the installation and maintenance of driveway, walkway, parking area, water line, gas line, telephone, cable television, electric power line, sanitary sewer and drainage facilities and for other utility installations are reserved as outlined on the recorded plat, and the Association may reserve and grant additional easements for the installation and maintenance of sewerage, cable, utility and drainage facilities over the Properties. Within any such easements above provided for, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. In addition the Association shall have the continuing right (but not obligation) and easement to maintain all sewer and water lines located on the Lots.

2. There is reserved across the front of each Lot an "Easement Area" or "Setback" as shown on the plats of the Properties, a portion of which area represents the area which may be needed for a street right-of-way should the Association elect to dedicate the abutting Common Area street or road to the public authorities. By acceptance of a deed to a Lot, every Owner, for him, her, and/or itself and him/her/itself, their respective heirs, successors and assigns, herein and hereby appoints the Association as such Owner(s) attorney-in-fact for the purpose of deeding, transferring and/or dedicating said "Easement Area" to the proper public authorities, their successors and assigns, for street dedication purposes pursuant to, and subject to, such terms and conditions, if any, as may be contained in the dedication agreement respecting the portion of the street or road which is comprised of a Common Area. Each Owner is responsible for maintaining and landscaping the street right-of- way in the same manner as his lot, which landscaping plan must be approved by the Architectural Review Board. The right-of-way shall be maintained to give a ribbon effect appearance to the rights of way adjacent to all roads within the subdivision.

3. The Association further reserves unto itself, a perpetual, alienable and releasable easement and right on, over, and under the ground to erect, maintain and use poles, wires, cables, conduits, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, C.A.T.V., security cable equipment, telephone equipment, gas, sewer, water or other private or public convenience or utilities. Said easements, which constitute building setbacks, shall be as follows: For Custom Lots, the

street front setback shall be twenty-five (25) feet; each side Lot setback shall be ten (10) feet. The rear setback line shall be twenty-five (25) feet. Estate Lots shall have a side Lot line setback of twelve and one-half (12.5) feet with a rear setback line of thirty (30) feet. The front setback line shall be thirty-five (35) feet. Lot street front setback fines shall be twenty (20) feet; one side Lot setback shall be seven (7) feet and one shall be three (3) feet and the rear setback fine shall be five (5) feet. Moreover, the Developer may cut, at its own expense, drain ways for surface water wherever and whenever such action may appear to the Developer to be necessary in order to maintain reasonable standards of health, safety and appearance utilizing the easements and setbacks outlined above. The side setback from a corner lot shall be one and one-half (1 1/2) feet times the normal side setback (i.e., custom lots shall have a fifteen (15) foot setback from the side of the lot abutting the street on a corner).

Owners of lots upon which utility boxes have been situated shall be required to plant shrubbery or flowering plants so as to screen the boxes from view. Plantings shall not interfere in any way with the operation or maintenance of the utility boxes.

4. Limited Maintenance Easement. There shall be reserved a three (3) foot easement on the adjoining Lot between the Patio Home and the parallel Lot boundary line for the use and enjoyment of the adjacent Lot Owner, only as hereinafter provided. Said three (3) foot easement area may be used by the adjacent Lot Owner only for the planting and care of shrubbery and other landscaping providing the same does not interfere with the structural integrity of the Patio Home. The use of said easement area by an adjoining Lot Owner shall not exceed a reasonable period of time during construction nor shall it exceed a period of thirty (30) days each year for essential maintenance. Any shrubbery or planting in the three (3) foot easement area that is removed or damaged by the adjoining Lot Owner during the construction, maintenance or repair of the Patio Home, shall be repaired at the expense of the adjoining Lot Owner causing such damage.

INSURANCE AND CASUALTY LOSSES
ARTICLE XII

1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area and may, but shall not be obligated to do so. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

In addition to casualty insurance on the Common Area, the Association may, but shall not under any circumstances be obligated to, obtain and continue in effect adequate blanket all-risk casualty insurance in such form as the Board of Directors deems appropriate for one hundred (100%) percent of the replacement cost of all structures on Lots. In the event the Association obtains such insurance, the provisions defined in Article VIII shall apply to policy provisions, loss adjustment, and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance for each member insured to be furnished to the Association, as applicable.

If reasonably available, the Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. If reasonably available, the public liability policy shall have at least a One Million and No/100 (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Three Million and No/100 (\$3,000,000.00) Dollars limit per occurrence, if reasonably available, and a Five Hundred Thousand and No/100 (\$500,000.00) Dollar minimum property damage limit.

Premiums for all insurance on the Common Area shall be common expenses of the Association. This policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total. Deductibles on damage caused by errant golf balls shall be allocated either to the Owner or to golfer as provided by law, but under no circumstances shall the Association be responsible.

Cost of insurance coverage obtained by the Association for the Common Area shall be included in the Assessments.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefitted parties, as further identified in (b) below. The provisions hereinafter set forth shall govern such insurance:

(a) All policies shall be written with a company licensed to do business in South Carolina which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of Owners and their Mortgagees as their interests may appear.

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

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Horry County, South Carolina, area.

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

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

(ii) a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash;

(iii) that no policy may be cancelled, invalidated or suspended on account of any one or more individual Owner;

(iv) that no policy may be cancelled, invalidated, or suspended on account of 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 and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that no policy may be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

The Association shall purchase officers and directors liability insurance, if reasonably available, and every Director and every officer of the Property Owners Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

2. Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on his Unit(s) and structures constructed thereon. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event that the structure is totally destroyed and the Owner determines not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction.

3. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 4 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner provided for excess proceeds in Section 3(a) of this Article XII.

4. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the **Association**, the **Board of Directors**, 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 Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area or to the Common Property shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the total vote of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. 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 said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed

sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the Common Area damaged or destroyed shall be repaired or reconstructed.

(c) In the event that it should be determined 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 affected portion of the Properties shall be restored to their natural state and maintained by the Association, as applicable in a neat and attractive condition.

5. Repair and Reconstruction. 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 of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners in proportion to the number of Lots owned, provided, if the damage or destruction involves a Lot or Lots only Owners of the affected Lots shall be subject to such assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

NO PARTITION

ARTICLE XIII

Except as is permitted in this Declaration or any amendment hereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Properties or any part thereof seek any such judicial partition, unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

FINANCING PROVISIONS

ARTICLE XIV

1. Approval of Owners and Holders of First Mortgages. Unless at least sixty-seven (67%) percent of the Owners and fifty-one (51%) percent of the holders of first mortgages which are owned or insured through the FNMA, FHA or similar agency on Lots located within the Properties, have given their prior written approval, the Association shall not:

- (a) Change the method of determining the obligations, assessments, dues or other charges which maybe levied against a Lot Owner, or of the voting rights of the Owners.
- (b) Change the responsibility for maintenance and repairs as may otherwise be set out herein.
- (c) Impose any restriction upon an Owner's right to sell his Lot.

2. Books and Records. Any Owner or holder, insurer or guarantor of a first mortgage on any Lot will have the right to examine the books and records of the Association, current copies of this Declaration, the By-Laws of the Association and Rules and Regulations during any reasonable business hours and upon reasonable notice. Any holder of a first mortgage shall be entitled, upon written request, to a copy of the Association's financial statement for the previous year.

3. Payment of Taxes and Insurance Premiums. The Owners and holders of first mortgages on Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against any of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Association and the persons, firms or corporations making such payments shall be owed immediate reimbursement therefore from the Association.

RULES AND REGULATIONS

ARTICLE XV

1. Compliance by Owners. Every Owner shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by the Board of Directors of the Association.

2. Enforcement. Failure of an Owner to comply with such restrictions, covenants or rules and regulations shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. Failure of Association to enforce any covenant or restriction shall not be deemed a waiver of the right to do so thereafter.

3. Fines. In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, Lessees or employees to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(a) Notice: The Association shall notify the Owner of the infraction or infractions. Included in the notice shall be the date and time of the next Board of Directors meeting at which time the Owner shall present reasons why penalties should not be imposed.

(b) Hearing: The non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why penalties should not be imposed. A written decision of the Board of Directors shall be submitted to the Owner by no later than twenty-one (21) days after the Board of Director's meeting.

(c) Penalties: The Board of Directors may impose special assessments against the Lot owned by the Owner as follows:

(i) First non-compliance or violation: a fine not in excess of One Hundred and No/100 (\$100.00) Dollars.

(ii) Second non-compliance or violation: a fine not in excess of Three Hundred and No/100 (\$300.00) Dollars.

(iii) Third and subsequent non-compliance or violation or violations which are of a continuing nature: a fine not in excess of Five Hundred and No/100 (\$500.00) Dollars.

(iv) Property owners may be fined up to \$500 per tree for removal without approval.

(d) Payment of Penalties: Fines shall be paid no later than thirty (30) days after notice of the imposition or assessment of the penalties.

(e) Collection of Fines: Fines shall be treated as an assessment subject to the provisions for the collection of assessments as set forth in Article VII.

(f) Application of Penalties: All monies received from fines shall be allocated as directed by the Board of Directors

(g) Non Exclusive Remedy: These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association maybe otherwise legally entitled; however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

GENERAL PROVISIONS

ARTICLE XVI

X. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

2. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by the Owners of not less than fifty-one (51%) percent of the Lots, or as provided in Article XVI herein. Any amendment must be properly recorded.

3. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the membership and a majority of the Board of Directors. This Section shall not apply, however, to

(a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens),

(b) the imposition and collection of personal assessments,

(c) proceedings involving challenges to ad valorem taxation, or

(d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Association and approved by the Members.

Pursuant to the same procedures, necessary to institute proceedings as provided above.

AMENDMENT OF DECLARATION WITHOUT APPROVAL OF OWNERS

ARTICLE XVII

The Association, without the consent of Members, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Lots and improvements thereon for mortgage or improvement loans made by, guaranteed by, sponsored by or insured by a governmental or quasi- governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by or under the substantial control of, the United States Government or the State of South Carolina, regarding purchase or sale in such Lots and improvements, or mortgage

interests therein, as well as any other law or regulation relating to the control of the Property, including, without limitation, ecological controls, construction standards, aesthetics and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration (VA), U. S. Department of Housing and Urban Development (HUD), the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requiring an amendment as a condition of approval, or suggesting an amendment, shall be sufficient evidence of the approval of such amendment of VA, HUD and/or such corporation or agency and permit (SCOTT) The Association to amend in accord with such letter.

No amendment made pursuant to this Section shall be effective until duly recorded in the Office of the Clerk of Court for Horry County.

LENDERS NOTICES
ARTICLE XVIII

Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number upon which it holds, insures or guarantees a first mortgage, any holder, owner or insurer of a first mortgage shall be provided with timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage.
- (b) Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any Lot on which it holds the mortgage.
- (c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the owner's association.
- (d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

THE COUNTRY CLUB
ARTICLE XX

1. Conveyance of Country Club. All persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Association or any other person or entity with regard to the continuing ownership or operation of the Country Club as depicted upon the Master Land Use Plan. Any purported representation or warranty in such regard shall not be effective without an amendment hereto executed. The Declaration also provides that ownership or operation of the Country Club may take place under certain circumstances without consent from the Association or the Owners.
2. Rights of Access and Parking. The Country Club and its members (regardless of whether such members are Owners hereunder), employees, agents, contractors, and designers shall at all times have a right and non-exclusive easement of access and use over all roadways located within the Properties reasonably necessary to travel from/to the entrance within the Properties to/from the Country Club and, further, over those portions of the Properties (whether Common Areas or otherwise) reasonably

necessary to the operation, maintenance, repair and replacement of the Country Club and its facilities. Without limiting the generality of the foregoing, members of the Country Club and permitted members of the public shall have the right to park their vehicles on the roadways located within the Common Areas at reasonable times before, during, and after golf tournaments and other approved functions held by/at the Country Club.

3. Assessments. In consideration of the fact that the Country Club will perform certain functions within the Properties which will be of benefit to the community at large, the costs of which may not be allocable, neither the Country Club nor any of its property shall be subject to assessment hereunder or under any declaration or similar document for any association.

The foregoing shall not prohibit, however, the Association from entering into a contractual arrangement with the Country Club whereby the Country Club will contribute funds for, among other things, Common Area maintenance; provided, however, no lien hereunder on the Country Club's property shall be deemed to exist as a means of enforcing any such obligations.

4. Architectural Control. Neither the Association nor the Architectural Review Board, shall approve or permit any construction, addition, alteration, change, or installation on or to any portion of the Property which is adjacent to, or otherwise in the direct line of sight from the Country Club (Club House) for the depth of one building Lot, without giving the Country Club at least fifteen (15) days prior notice of its intent to approve or permit same, together with copies of the request therefore and all other documents and information finally submitted in such regard. The Country Club shall then have fifteen (15) days in which to voice its approval or disapproval, which opinion shall be given great weight in the final decision. The failure of the Country Club to respond to the aforesaid notice within the fifteen (15) day period shall constitute a waiver of the Country Club's right to object to the matter so submitted. This Section shall also apply to any work on the Common Areas hereunder or any common areas/elements of an association, if any.

5. Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Country Club, no amendment to this Article, and no amendment in derogation hereof to any other provisions of this Declaration, may be made without the written approval thereof by the owner (s) of the Country Club, or in the case of a corporate owner, by its board of directors.

6. Jurisdiction and Cooperation. It is the Association's intention that the Association and the Country Club shall cooperate to the maximum extent possible in the operation of the Properties and the Club. Each shall reasonably assist the other in upholding the Architectural Review Board Standards.

7. Applicability. The Country Club shall not be deemed to be an Owner or Member as those terms are defined in this Declaration and shall only be subject to the provisions of Articles IX, X, and XX of the Declaration. The Association shall have all enforcement powers afforded by this Declaration and at law to enforce those Articles.