



2008080702

AMEND/REST
27 PGS

Book:DE 2338 Page:1294-1320

September 03, 2008 10:32:45 AM

Rec:\$33.00 Cnty Tax:\$0.00 State Tax:\$0.00

AMENDED AND RESTATED

FILED IN GREENVILLE COUNTY, SC

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

HOLLINGSWORTH PARK AT VERDAE, MANOR, PHASE 2 - SECTION 1

Pursuant to Article XIV, Section 9 of the Declaration of Covenants, Conditions and Restrictions for Hollingsworth Park at Verdae, Manor, Phase 2 - Section 1, recorded in the Office of the Register of Deeds for Greenville County, South Carolina on June 11, 2008 in Deed Book 2327, Page 1907 (the "Original Declaration"), VERDAE DEVELOPMENT, INC. (the "Declarant" or "Developer"), hereby amends and restates the Original Declaration by the execution and recordation of this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hollingsworth Park at Verdae, Manor, Phase 2 - Section 1 (the "Declaration"), which shall be binding upon the Property (as hereinafter defined) subject to the Original Declaration and hereafter, to this Declaration and binding upon any and all persons, firms or corporations hereinafter acquiring any of the Property. The covenants, conditions and restrictions imposed by this instrument are in addition to those imposed by the Amended and Restated Master Declaration of Protective Covenants, Conditions, Restrictions, and Easements for Verdae, (the "Master Declaration") recorded in the Office of Register of Deeds for Greenville County, South Carolina in Deed Book 2302, Page 642, and any amendments thereto.

WHEREAS, the Declarant is the fee simple owner of a certain tract of real property in Greenville County, South Carolina, which property is more particularly described in Exhibit "A" attached hereto (the "Property"); and

WHEREAS, the Developer has caused to be prepared a plan for the development of the Property, to be known as "Hollingsworth Park at Verdae, Manor, Phase 2 - Section 1" into residential lots, together with certain common areas for the use, benefit and enjoyment of the owners of the lots in common with each other; and

WHEREAS, the Developer has caused a plat of the Property to be filed in Plat Book 1068, Page 63, in the Office of the Register of Deeds for Greenville County, South Carolina ("Plat"); and

WHEREAS, it is to the benefit, interest and advantage of the Declarant, the Lot Owners, and of each and every person or other entity hereafter acquiring any interest in the Property that certain covenants, restrictions, easements, assessments and liens governing and regulating the use and occupancy of the same be established, fixed, set forth and declared as covenants running with the land;

NOW, THEREFORE, in consideration of the premises, the Declarant does hereby publish and declare that all or any portion of the Property described in Exhibit "A" is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations and subject to all easements, conditions, restrictions, etc., as set out in the Plat, all of which are declared and agreed to be in furtherance of a plan for the development and improvement of the said Property, and the said covenants, conditions, restrictions, uses, limitations and obligations shall run with the land and shall be a burden and a benefit to the Declarant, its successors and assigns, and any person or legal entity acquiring or owning any interest in any portion of the said Property or any improvements thereon, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I.
DEFINITIONS

The following words when used in this Declaration shall have the following meaning:

Section 1. "Additional Property" shall mean any and all real property lying and being within the area bounded by Laurens Road, Interstate Highway I-85 and Woodruff Road in the County of Greenville, South Carolina.

Section 2. "Association" shall mean and refer to Hollingsworth Park at Verdae, Manor, Phase 2 – Section 1 Homeowners' Association, Inc., a nonprofit, non-stock corporation incorporated under the laws of the State of South Carolina, its successors and assigns.

Section 3. "Common Area" shall mean all real property and improvements thereon owned by the Association for the common use and enjoyment of the Members of the Association. The Common Area to be owned by the Association shall include but not necessarily be limited to any areas denoted as "Common Open Space" or "C.O.S." and "Common Green Space" on the Plat.

Section 4. "Declarant" shall mean Verdae Development, Inc., a South Carolina corporation, with offices at 124 Verdae Blvd. Suite 502 Greenville, SC 29607, its successors and assigns. "Declarant" shall be synonymous with "Developer" for purposes of this Declaration.

Section 5. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Hollingsworth Park at Verdae, Manor, Phase 2 – Section 1, and any supplementary declaration filed hereto, as this Declaration may, from time to time, be amended in accordance with its terms.

Section 6. "Improvements" shall mean the structures, walls, pavement, plantings and other additions built or placed on the Lots.

Section 7. "Lot" shall mean and refer to the plots shown on the Plat, and any additional lots that may be shown on future plats of future sections of the Property. For all purposes hereunder, it shall be understood and agreed that Declarant shall be the Owner of all of said Lots, save and except only those particular Lots which Declarant conveys in fee simple title by recordable deed from and after the date hereof.

Section 8. "Master Declaration" shall mean and refer to that Amended and Restated Master Declaration of Protective Covenants, Conditions, Restrictions, and Easements for Verdae, recorded in the Greenville County Register of Deeds Office on November 29, 2007, in Deed Book 2302, at Page 642, as may be amended from time to time. Said Master Declaration is hereby incorporated herein by reference.

Section 9. "Member" shall mean and refer to every Person who holds membership in the Association.

Section 10. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, provided, however, that the purchaser at a foreclosure sale or trustee's sale shall be deemed an Owner.

Section 11. "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.

Section 12. "Property" or "Properties" shall mean that real property described in Exhibit "A" attached hereto and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 13. "Verdae Association" shall mean and refer to the Verdae Owners Association, Inc., a South Carolina nonprofit corporation. The Association shall be an Owner as defined in the Master Declaration, as defined hereinabove.

ARTICLE II. PROPERTY

Section 1. Property Subject to Declaration and Master Declaration. That certain real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration and to the aforementioned Master Declaration located in Greenville County, South Carolina, and which is more particularly described in Exhibit "A" attached hereto and made a part hereof.

Section 2. Roads, Service Drives, Sewers and Drainage. The roads, sewers and storm drainage systems within the Property may be dedicated to the City/County of Greenville, or the appropriate governmental body, except the off-site detention pond, which will be maintained, repaired and replaced in part by the Association. Until such

time as the aforementioned roads, sewers and storm drainage systems are either dedicated to a governmental body or conveyed to the Association, each Owner shall have a perpetual, non-exclusive easement, appurtenant to such Owner's Lot, to use such facilities. In the event that the Declarant elects not to dedicate any road, sewer way, storm drainage system or any part thereof to a governmental entity, such facilities shall be deemed to be Common Areas which shall be conveyed to the Association as required by this Declaration, and the cost of maintaining, repairing and replacing them shall be the responsibility of the Association.

Section 3. Annexation of Additional Property. The Declarant may, at any time, and from time to time, prior to twenty (20) years from the date hereof, subject all or part of the Additional Property to the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration by executing and recording with the County Register of Deeds an amendment to this Declaration describing the property being annexed. The Declarant further has the right to convey to the Association additional Common Areas contained within such Additional Property, the maintenance of which may increase the Annual Assessment as provided elsewhere herein and may increase the amount of Annual Assessment which shall be levied against each Lot.

From and after such recording, the annexed property shall be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered as if such additional real property had always been included within the meaning and definition of the term "Property" and shall be subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration, including, without limitation, all lien and assessment provisions set forth in this Declaration, and all of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration shall be a permanent charge on, and shall run with, such annexed property.

In addition to the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration, Declarant shall further have the right at its election, without the consent of any Owner or Owners, to subject any such annexed property to additional controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens by filing a Supplemental Declaration with the County Register of Deeds covering only such annexed property. The Association shall have the right and authority to enforce all controls, covenants, conditions, restrictions, easements, and developments contained in such additional declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the annexed property in order to reflect the different character and intended use of such property.

No approval from any member of the Association, or from anyone else whomsoever, shall be required for the Declarant to subject additional property to this Declaration.

**ARTICLE III.
THE ASSOCIATION**

Section 1. Members. Every Person, as defined, who is a record Owner of a fee or undivided fee interest of any Lot within the Property shall be a Member of the Association, as defined, provided, however, that anyone who holds such interest solely as security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot within the Property. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of a Lot, each Owner of a Lot being entitled to one (1) vote for each Lot owned, except the Developer, which shall be entitled to four (4) votes for each Lot owned by it. After the expiration of twenty (20) years from the date of the conveyance of the first Lot from Developer to the purchaser, Developer shall only be entitled to one (1) vote for each Lot still owned by it. In the event that two adjoining lots are sold for the purpose of constructing a single home thereon, the Owner of the new parcel (consisting of two lots) shall only be entitled to cast one vote by reason thereof but nevertheless shall be responsible for payment of annual and special assessments based upon ownership of both original lots. However, any Community Enhancement Fee due pursuant to Article XIII of this Declaration shall be calculated based upon ownership of one Lot.

Section 3. Secured Parties. No individual or legal entity holding title to a Lot as security for any debt or obligation shall be considered as Owner of such Lot, and such individual or entity shall not be entitled to membership in the Association or to cast a vote on any question or matter affecting the administration of the Association.

Section 4. Voting. At every meeting of the Members, each of the Members shall have the right to cast his vote on each question. The vote of the Members representing a fifty-one percent (51%) majority of the total votes cast, in person or by proxy (provided a quorum exists), shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of statute or of the Articles of Incorporation, or this Declaration, or of the Bylaws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any such meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the Members are unable to agree on the manner in which the vote for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. No Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 5. Proxies. A Member may appoint any other Member or the Developer or any other person permitted by law or by the Bylaws as his proxy. In no case may any proxy (except the Developer) cast a vote by proxy on behalf of more than one Member. Any proxy must be in writing and must comply with all requirements imposed by law or by the Association's Bylaws.

Section 6. Quorum. The presence, either in person or by proxy, of Members representing at least ten percent (10%) of the total votes entitled to be cast shall be requisite for, and shall constitute a quorum for, the transaction of business at all meetings of Members. If the number of Members at a meeting drops below the quorum, no business may thereafter be transacted.

Section 7. Notice to Developer. Timely notice of all formal and informal meetings of the Association and any of its Boards, including, but not limited to, the Board of Directors, shall be given to the Developer for a period of twenty (20) years from the date of the conveyance of the first Lot from Developer to the purchaser. The Developer or its successor or designee shall have the right to attend any such meetings. Notice shall be provided to the Developer in the same manner as provided to the Members. Minutes of all meetings shall be timely provided to the Developer throughout the twenty (20) year period. The right to receive notice and minutes and the right to attend shall continue throughout the twenty (20) year period even if the Developer no longer has an ownership interest in any of the Property.

Section 8. Turnover by Developer. Upon the sale by the Developer of all of the Lots in Hollingsworth Park at Verdae, Manor, Phase 2 – Section 1, or sooner if Developer should so elect, the Developer shall convey, transfer, and assign to the Association and the Association shall accept, Developer's right, title, and interest in and to the Common Areas and common facilities (as then existing), reserving and excepting from such conveyance, transfer, and assignment, however, any rights, privileges, and easements granted herein to the Developer as an Owner or otherwise reserved by it hereunder.

ARTICLE IV.
PROPERTY RIGHTS

Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, as herein defined, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to provide for and establish easements and rights-of-ways on all streets and alleys, and to regulate parking, and motorized and non-motorized vehicular traffic within the Property;

(b) The right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Area which the Association is to maintain;

(c) No conveyance or encumbrance of the Common Area shall prevent any Lot Owner from using the Common Area for ingress and egress to his Lot;

(d) The rights of the Association to promulgate reasonable rules, regulations and fees concerning the use of the Common Area in the Property.

ARTICLE V.
MAINTENANCE AND REPAIR

Section 1. Association Responsibilities. The Association shall provide and pay for maintenance expenses for the Common Area; the maintenance of any subdivision monuments, entrance gate, and any perimeter fence in the Common Areas; the landscaping of the Common Area and the areas within any planting gallery and landscape easements shown on the Plat; the maintenance of the irrigation system for the landscape areas the Association is responsible for; and the maintenance, in part, of the detention pond facility. The Association may also contract for the delivery of mail to a community mail kiosk or individual houses or mailboxes at the Property; and for management of the Association or any of its functions by a third party. The real property taxes on the Common Area, if any, shall also be paid for by the Association.

Section 2. Individual Lot Owners.

(a) Exterior Maintenance. In order to retain the appearance of the development, no exterior maintenance, repairs or replacements which substantially alter the exterior appearance of a Lot shall be commenced for the improvement of an individual Lot unless permission is obtained from the Architectural Control Committee, as hereinafter defined. The Association may opt to enter into a landscape maintenance contract to maintain all yards.

(b) Enforcement. In the event an Owner of any Lot in the Property shall fail to maintain the exterior premises in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot after reasonable notice, for the purpose of repairing, maintaining, modifying, removing or restoring the Lot and/or the exterior of the building and any improvements erected thereon, and no such persons shall be deemed to have committed a trespass or other wrongful act by reason of such entry. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VI.
ASSESSMENTS

Section 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 any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and, (2) special assessments for capital improvements and emergencies, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due.

Notwithstanding any other provisions hereof to the contrary, the Declarant reserves the right to waive any or all assessments against any or all builders during all or part of the construction and/or marketing period(s) when the Lot is owned by the builder.

Any assessments levied by Verdae Development Inc. or by the Verdae Owners Association pursuant to the Master Declaration and/or Declaration of Building Site shall immediately become assessments against the Association. If the Association does not pay any part of the assessments levied pursuant to either the Master Declaration or Declaration of Building Site, including any amendments thereto, the Lot Owner's pro rata portion of the delinquent assessment shall become a personal obligation of the Lot Owner, in which event Verdae Development, Inc. and/or Verdae Owners Association would have the right pursuant to the Master Declaration to place liens directly against individual Lots to the extent of such Lot Owner's pro rata share of the delinquent amount.

Section 2. The Annual Assessments and Special Assessments levied by the Association and payable to the Association are separate from and in addition to the Community Enhancement Fee levied by Verdae Development Inc. or Verdae Owners Association on individual Lots at the time of resale pursuant to the Master Declaration of Protective Covenants, Conditions, Restrictions, and Easements for Verdae.

Section 3. Annual Assessments and Carrying Charges of the Association. Each Member of the Association shall pay to the Association an annual sum (hereinafter sometimes referred to as "assessments" or "carrying charges") equal to the Member's proportionate share of the sum required by the Association, as estimated by its Board of Directors, to meet its annual expenses, including, but in no way limited to, the following:

- (a) The cost of all operating expenses of the Association and services furnished;

(b) The amount of all taxes and assessments levied against the Association or upon any property which it may own or which it is otherwise required to pay, if any;

(c) The cost of extended liability insurance and the cost of such other insurance as the Association may effect;

(d) The cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and/or reserve for replacements;

(e) The estimated cost of repairs, maintenance and replacements of any subdivision monument, entrance gate, fence and landscaping in the Common Areas, and a prorate portion of the maintenance and repair, in part, of the detention pond, and any other item the Association may be responsible for;

(f) The cost of mail delivery, should the Association elect to contract for mail delivery;

(g) The cost of fiber optic cable and related services; and,

(h) All dues, fees, assessments and other charges assessed pursuant to the Master Declaration of the Verdae Owners Association, Inc., as referenced in Article I, section 13 above.

The Board of Directors of the Association shall determine the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, but may do so at more frequent intervals should circumstances so require as provided in the Bylaws. The Board of Directors may increase the amount of the annual assessment by up to fifteen percent (15%) above the preceding year's assessment without the consent of Members. The Board of Directors must obtain the consent of Members representing two-thirds (2/3) of the total number of votes eligible to be cast in order to increase the amount of the annual assessment by more than fifteen percent (15%) above the preceding year's assessment. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors, and may at the option of the Board of Directors, be collected monthly, quarterly or annually. The Association shall, upon demand and for a reasonable charge, furnish a letter signed by an officer of the Association setting forth whether the assessment on a specific Lot has been paid.

Section 4. Special Assessments. In addition to the Annual assessments authorized by this Article, the Association may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement for which the Association is specifically responsible or for such other purposes as the Board of Directors may consider necessary, provided that such assessment shall have the assent of the Members representing two-thirds (2/3) of the total

number of votes eligible to be cast. A notice of any meeting at which a proposed Special Assessment will be put to vote shall set forth the purpose of the meeting and shall be sent to all Members at least ten (10) days in advance of such meeting. The Board of Directors shall be fully protected and not liable for any mistake in judgment hereunder provided that the assessment was made in good faith.

Section 5. Non-Payment of Assessment. Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. To evidence the lien of any unpaid and delinquent assessments, the Board of Directors shall prepare a written notice setting out the amount of the unpaid indebtedness, the name of the Owner of the Lot, and description of the Lot. Said notice shall be signed by a member of the Board and, if not paid within thirty (30) days following the execution of the notice by the Board member, shall be recorded in the Greenville County Register of Deeds Office. The personal obligation of the Member to pay such assessment shall, however, remain his personal obligation for the statutory period, and a suit to recover a money judgment for non-payment of any assessment levied pursuant to this Declaration or the Bylaws, or of any installment thereof, may be maintained without foreclosing or waiving the lien created herein.

Any assessment levied pursuant to this Declaration or any installment thereof, which is not paid within thirty (30) days after it is due, may, upon resolution of the Board of Directors, bear interest at the highest rate allowed under the laws of the State of South Carolina, and may, by resolution of the Board of Directors, subject the Member obligated to pay the same to the payment of such penalty or "late charge" as the said Board may fix. Any unpaid penalty or late charge shall be deemed a part of the assessment for all purposes under this Declaration. The Association may bring an action at law against the Member personally obligated to pay the same or foreclose the lien against the Lot or Lots subject to prior mortgages or deeds of trust upon the Lot or Lots, then belonging to said Member; in either of which events, the Association may collect from the said Member interest, costs and reasonable attorney's fees. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Upon any default in the payment of any assessment, the Board of Directors shall have the right to secure the payment through notice to those in possession of the Lot. The Association may enforce its lien by whatever means available under the law.

All rights, remedies, and privileges granted to the Board of Directors or a Lot Owner, pursuant to any terms, provisions and covenants or conditions of the Declaration and Bylaws shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or

privileges as may be granted to such party by the Declaration and Bylaws or at law or in equity.

The Association may notify the holder of the first mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of sixty (60) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of ninety (90) days.

~~Subject to any applicable Requirement of a Governmental Authority, the Association shall also have the power and authority to impose and assess fines and suspend temporarily voting rights if any Assessments or any portion thereof are not paid within 60 days from the date when such Assessments become due.~~

Section 6. Acceleration of Installments. Upon default in the payment of any one or more installments of any assessment levied pursuant to this Declaration, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

Section 7. Priority of Lien. The lien established by this Article shall have preference over any other assessments, liens, judgments or charges of whatever nature, except as follows:

- (a) General and special assessments for real estate taxes on a Lot; and
- (b) The liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessment of the lien thereon or duly recorded on said Lot after receipt of a written statement from the Board of Directors reflecting that payments on said liens were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

Section 8. Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, and in addition to the rights enumerated in Article IX below, the lien of any assessment levied pursuant to this Declaration upon any Lot shall be subordinate to and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage (meaning a mortgage with priority over other mortgages) upon such interest made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a foreclosure or any other proceeding in lieu of foreclosure. Any such delinquent assessments which are extinguished pursuant to the foregoing provisions may be reallocated and assessed to all Owners as a common expense, including the purchaser at foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the Lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment which said lien, if any, claimed shall have the same effect and be enforced in the same manner as provided herein.

No amendment to this Section shall affect the rights of the holder of any such mortgage (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof shall join in the execution of such amendment.

Section 9. Additional Default. Any recorded first mortgage secured by a Lot in the Property may provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Declaration, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness secured thereby), but the failure to include such a provision in any such mortgage shall not affect the validity or priority thereof, and the protection extended to the holder of such mortgage (or the indebtedness secured thereby) by reason of Section 8 of this Article shall not be altered, modified, or diminished by reason of such failure.

Section 10. Uniform Value of Assessment. Unless otherwise specifically provided in this Declaration, both annual and special assessments must be fixed at a uniform rate for all Lots and may, at the election of the Board of Directors, be collected on a monthly, quarterly, semi-annual, or annual basis.

Section 11. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots upon written notification by Declarant or its agent. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Until December 31, 2008, the maximum assessment shall be one hundred ten dollars and No/100 Dollars (\$110.00) per Lot per month, unless a Certificate of Occupancy has been issued, in which case the maximum assessment shall be increased by \$45 per month. Until December 31, 2012, the Declarant shall have the sole authority to determine whether an assessment shall be levied. After December 31, 2012, the assessment shall be fixed by the Board of Directors as set out in Section 2 of this Article VI. Upon the first transfer of title to a Lot and upon each resale of the Lot thereafter, the purchaser shall pay at closing a prorated portion of the Annual Assessment, which shall be collected quarterly for all Lots.

Section 12. Declarant's Responsibility for Assessments and Contributions to the Budget of the Association.

During the development of the Property, Declarant shall pay the Association an amount sufficient to cover any operating deficit in the budget, which amount would be in lieu of assessments which would otherwise be levied against the Declarant as the owner of the unsold Lots. At any time, however, the Declarant may elect instead to pay periodic assessments in the same amounts and in the same manner as all other Owners, in which event the Declarant would have no special obligation for covering any deficit in the operating budget.

ARTICLE VII.
ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee. An "Architectural Control Committee" is hereby established. The Declarant shall have the exclusive right to appoint members to serve on the Architectural Control Committee. The exclusive right to appoint shall continue for a period of twenty (20) years from the recordation date of this Declaration. Upon the expiration of twenty (20) years from the recordation date hereof, or sooner if the Declarant so chooses, the Board of Directors of the Association shall have the right to appoint the Architectural Control Committee. The Architectural Control Committee shall have the authority to adopt or promulgate any rule or regulation, or to make any findings, determinations, ruling or order, or to issue any permanent authorization or approval pursuant to directives or authorizations contained herein. The Architectural Control Committee has formulated an architectural design manual for the design and construction of homes built on the Lots. If the Owner of a Lot does not choose one of Declarant's pre-approved plans, the Owner may choose his own plan, provided, however, all such plans must be pre-approved by the Architectural Control Committee and must be prepared by an architect approved by the Architectural Control Committee and built by a builder pre-approved by the Architectural Control Committee.

Section 2. Approvals Necessary, Rules of Committee and Remedies of Violation. No structure of any kind or nature or any fence or barrier shall be commenced, erected, placed, moved onto, or permitted to remain on any of the Lots within the Property, nor shall any existing structure, fence or barrier upon any Lots be altered in any way which substantially changes the exterior appearance (which includes but is not limited to changes in paint color and re-roofing) thereof, nor shall there be any additions, attachments, or deletions to improvements, nor shall there be any changes in landscaping, without the written consent of the Architectural Control Committee; nor shall any new use be commenced on any Lot unless plans and specifications (including a description of any proposed new use) shall have been submitted to and approved in writing by the Architectural Control Committee. Such plans and specifications shall be in such form and shall contain such information as may be required by the Architectural Control Committee, but in any event shall include:

(a) A site plan of the Lot showing the nature, exterior, color scheme, kind, shape, height, materials, and location with respect to said Lot (including proposed front, rear, and side setback) of all structures, fences or barriers, and location of all parking spaces and driveways on the Lot;

(b) The site plan must state the square footage of the dwelling and must be accepted and approved by the Architectural Control Committee. The minimum heated square footage requirement for a single family dwelling is 3,000 square feet. The maximum heated square foot requirement for a single family dwelling is 7,000 square feet. However, the Architectural Control Committee shall have the right to approve different square footage requirements for certain Lots in certain circumstances for the orderly development of and integrity of the Property;

(c) Grading and landscaping plans with indications of yard plantings for the particular Lot. No Owner shall cause the removal of any trees or shrubbery without the prior written approval of the Architectural Control Committee;

The Architectural Control Committee may promulgate rules governing the form and content of plans to be submitted for approval or requiring specific improvements on the Lots including, without limitation the exterior lighting and planting and may issue statements of policy with respect to approval or disapproval of the architectural styles or details or other matters which may be presented for approval. Such rules and such statements of policy may be amended or revoked by the Architectural Control Committee at any time and no inclusion in or omission from or amendment of any such rule or statement shall be deemed to bind the Architectural Control Committee to approve or disapprove any feature or matter subject to approval or to waive the exercise of the Architectural Control Committee's discretion as to any such matter. No change of policy shall revoke or rescind approval of plans previously submitted and approved, provided that the plans and specifications as approved and any condition attached to any such approval have been adhered to and complied with in regard to all structures, fences, or barriers on the uses of the Lot in question.

If any structure, fence, or barrier shall be altered, erected, placed or maintained (including exterior maintenance) upon any Lot or any new use commence on any Lot, otherwise than in accordance with plans and specifications approved by the Architectural Control Committee as required herein, such alteration, erection, maintenance, or use shall be deemed to have been undertaken in violation of the restrictions herein and without the approval required herein, and upon written notice from the Architectural Control Committee any such structure, fence or barrier so altered, erected, placed or maintain upon any Lot in violation hereof shall be removed or altered, and such use shall be terminated so as to extinguish such violation.

If fifteen (15) days after the notice of such violation, the Owner or Owners of the Lot upon which such violation exists shall not have taken reasonable steps towards the removal or termination of the same, the Association by its officers or directors shall have the right through its agents and employees to enter upon such Lot and to take such steps as may be necessary to extinguish such violation, and no such persons shall be deemed to have committed a trespass or other wrongful act by reason of such entry. The costs thereof shall be a binding personal obligation of such Owner as well as a lien upon the Lot in question upon the recording of a notice of lien with the Office of the Register of Deeds for Greenville County, South Carolina.

All builders shall notify the Declarant via e-mail or first class mail that they have submitted a request for a "Certificate of Occupancy," and such notification shall be e-mailed or post-marked no later than within twenty-four hours after such request is submitted. The purpose of this requirement is to give the Declarant ample time to file a Notice of Violation in the public records or take any other or additional steps it deems necessary to ensure compliance with the provisions of these restrictions.

The Architectural Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to these restrictions payable at the time such plans and specifications are so submitted. The initial fee for such examination shall be set at One Thousand Dollars (\$1,000), and may be changed from time to time by the Architectural Control Committee. The fee must be submitted along with the plans and specifications.

Any agent or Developer or of the Architectural Control Committee may, at reasonable times, when accompanied by the builder, enter upon and inspect any Lot and any improvements thereon for the purposes of ascertaining whether the maintenance of such Lot and the maintenance, construction, or alteration of structure thereon are in compliance with the provisions of these restrictions, and no such persons shall be deemed to have committed a trespass or other wrongful acts by reason of such entry or inspection. No builder shall unreasonably delay or refuse to accompany the Developer or any agent of the Developer or Architectural Control Committee wishing to access the premises for the purpose stated herein.

The Association or any Owner of any Lot contained within the Property shall have the right to enforce by any proceeding at law or in equity all conditions, restrictions, covenants, reservations and easements herein or hereinafter contained or otherwise contained in any deed to any Lot. Failure by any Owner to enforce any of such proceedings shall in no event be deemed a waiver of the right to do so thereafter.

Should a request to the Committee come from a Committee member, the other members of the Committee shall elect a disinterested Lot Owner to take the place of the Committee member making the request.

ARTICLE VIII.
RESTRICTIVE COVENANTS

Section 1. Residential Use and Architectural Style. The Lots shall not be used except for private residential purposes. The architectural of the project shall be in the style of the American Romantic Revival (1850-1925). The Declarant has described this style in an architectural guideline book, which may be amended from time to time.

Section 2. Prohibited Uses and Nuisances. In order to provide for the congenial occupation of the homes within the Property, and to provide for the protection of the value of the entire development, the use of the residences shall be in accordance with the following provisions:

(a) The Property is hereby restricted to residential dwellings and structures appurtenant thereto for residential use. All buildings or structures erected upon the Property shall be of new construction, and no buildings or structures shall be moved from other locations onto the Property, and no subsequent buildings or structures, other than single family houses shall be constructed. No structures of a temporary character, trailer,

tent, shack, barn or other building shall be used on any portion of the Property at any time. Nothing in this section, however, shall prohibit the construction of a swimming pool, greenhouse, cabana, conservatory, detached garage, or similar structure after prior written approval of the Architectural Control Committee.

(b) Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof and all easements, restrictions and covenants set out in the Plat.

(c) Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Declarant to maintain, during the period of the sale of said Lots, upon such portion of the premises as Declarant deems necessary, such facilities as, in the sole opinion of Declarant, may be reasonably required, convenient or incidental to the sale of said Lots, including, but without limitation, a business office, storage area, construction yard, signs, model units and sales office, all of which must comply with the City of Greenville Code of Laws.

(d) A written plan of landscaping must be submitted to and pre-approved in writing by the Architectural Control Committee prior to the installation of landscaping, hardscaping or alterations thereto. This plan should include a drawing to show location, variety and size of all existing and proposed plant materials. Any proposed removal of any tree or shrubbery must be pre-approved in writing by the Architectural Control Committee. The plan must also show the location and description of all fences, walls, benches, garden lighting, rocks, fountains, statuary, gazebos, porch, awnings, statues, ornamental structures and so forth. No artificially colored rocks or plastic flowers, plastic animals, plastic pinwheels, plastic streamers or the like shall be permitted on the porches, balconies or yards of any lot without prior approval.

(e) No animals, livestock or poultry of any kind shall be raised, bred, or kept on any of said Lots, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose. Animals must be kept on a leash and be under the physical control of a responsible person at all times while outdoors. Any feces left upon a Lot or the Common Areas by an animal must be immediately removed by the owner of the animal or the person responsible for the animal. No animal determined to be dangerous, in the Board's sole and absolute discretion, may be brought onto or kept on the Property at any time. The Board may remove without notice any animal that presents an immediate danger to the health, safety or property of any resident. Each Owner who keeps an animal on the Property agrees to indemnify and hold the Association and its directors, officers and agents harmless from any loss, claim or liability of any kind whatsoever arising by reason of such animal.

(f) Only one sign shall be allowed on each Lot for marketing purposes. The sign may be a "for rent" sign, a "for sale" sign, or a builder's sign. No sub-contractor, material provider, architect, landscaper, designer nor any other party may post any sign without the express permission of the Declarant, but it is permissible for the names of any such entity to appear on a sign along with that of the builder. No sign shall be larger than five square feet. No business activity of any kind whatever (excepting home offices) shall

be conducted in any building or in any portion of said Property; provided, however, that builders are permitted to present their houses as model homes and allow them to be used as sales offices during the development and sales period of Lots in the Property. The builders are not permitted to operate their construction businesses out of the model homes.

(g) All equipment, garbage cans, service yards, woodpiles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of the drives and street. All rubbish, trash, or garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon. Garbage cans shall be promptly removed from the street after all regularly-scheduled trash pickups.

(h) Without prior written approval and the authorization of the Architectural Control Committee, no exterior television or radio antennas of any sort shall be placed, allowed, or maintained upon any portion of the improvements located upon the Property. However, nothing in this section shall be deemed to prohibit satellite dishes less than one meter in diameter so long as any such satellite dishes are not visible from the street or front of the Lot.

(i) No recreational vehicles, including but not limited to boats, boat trailers, house trailers, camping trailers, motorcycles, four-wheelers, or similar type items, nor any vehicle deemed by the Association in its sole discretion to be a recreational vehicle shall be kept other than in the garage or otherwise screened from the view of neighbors or the streets. No commercial vehicles, including but not limited to work trucks, vehicles with ladders or pipes or racks for ladders and or pipes, or vehicles with promotional signs, decals, paint jobs and the like (even if used exclusively for personal use) or any vehicle deemed by the Association in its sole discretion to be a commercial or commercial-type vehicle shall be kept other than in the garage or otherwise screened from the view of neighbors or the streets.

(j) Grass, weeds, vegetation and debris on each Lot shall be kept mowed and cleared at regular intervals by the Owner thereof so as to maintain the same in a neat and attractive manner. The Owner shall keep tall shrubbery and hedges trimmed to reasonable limits so that views from surrounding property will not be adversely affected and so that traffic hazards will not be created. Trees, shrubs, vines, debris and plants which die shall be promptly removed from such Lots. Developer or the Association, at its option and its discretion, may mow and have dead trees and debris removed from such Lots and the Owner of such Lot shall be obligated to reimburse Developer or the Association for the cost of such work should he refuse or neglect to comply with the terms of this paragraph. The costs thereof shall be a binding personal obligation of such Owner as well as a lien upon the Lot in question upon the recording of a Notice of Lien with the Office of the Register of Deeds for Greenville County, South Carolina. No such persons shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

(k) No Owner or Owners shall allow garage doors to remain open for more than a reasonable time for vehicles entering or exiting to the garage and for reasonable periods for yard and residence maintenance.

(l) No obnoxious or offensive activity shall be carried on upon any Lot in this planned development nor shall anything be done thereon which may be or become an annoyance or nuisance to other Owners within the Property.

(m) No building material of any kind or character shall be placed or stored upon any of said Lots until the Owner is ready to commence improvements. Building materials shall not be placed or stored in the street or between the curb and property lines. Building materials shall not be stored on neighboring or adjacent Lots without the Lot Owner's prior written consent.

(n) There shall be no violation of any rules which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in the Bylaws authorized to adopt such rules. Subject to any applicable Requirement of a Governmental Authority, the Association shall in addition to other remedies provided by law and by these Declarations, also have the power and authority to impose and assess fines up to amount of \$50 per day so long as the violation continues. Failure by the Association to enforce any covenant or restriction herein shall not be deemed a waiver of the right to do so thereafter.

o) The Developer intends to plant one or more trees in the area between the curb and the sidewalk of each Lot. In order to protect these trees during the construction of the house, each Lot Owner shall at its own expense cause a standard construction fence to be erected in the front yard immediately adjacent to the sidewalk running for the full length of the lot. In addition, each lot owner shall cause a construction fence to be erected around the perimeter of the area between the sidewalk and the curb.

Said fencing shall be erected prior to the commencement of construction of any house on the Lot and shall remain in place until construction is complete. In the event that any tree planted by the Developer is damaged during construction, the Lot Owner shall be responsible for the costs associated with planting a replacement tree.

(p) No nuisances or unsightly objects shall be erected, placed or permitted to remain on said Property, nor shall said Property be used in any way or for any purposes which may endanger the health or unreasonably disturb the Owner of any Lot or any resident thereof.

(q) Declarant or its designee reserves the right to impose additional or separate restrictions upon any Lot at or prior to the time of sale of such Lot by Declarant, or its designee, which additional or separate restrictions may not be uniform, but may differ as to different Lots. Declarant and the Architectural Control Committee further reserves unto itself the unrestricted right to issue any variances or waivers with respect to

any architectural guidelines without the approval of the Owners of any of the Lots within the planned development.

Section 3. Right of Declarant to Buy Back Lots. Construction must commence on each Lot within two (2) years of the closing date on which a Lot is sold by the Declarant to the first transferee. In the event that construction has not commenced within the two-year period, Declarant shall have the right, but not the obligation, to repurchase the Lot at any time thereafter from the Lot Owner, at the same price and on the same terms that the Declarant sold the Lot. The provisions of this section shall be binding on the original Lot Owner and all subsequent transferees. Nothing in this section, however, shall prevent the Declarant and Lot Owner from contractually waiving, extending, limiting, or otherwise modifying the provisions of this section, in which event any such contractual waiver, extension, limitation or modification signed by the Declarant shall control. Should any Lot Owner fail to comply with the provisions of this section and Declarant is forced to seek legal redress for same, the Owner hereby agrees to pay all reasonable and actual out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred by Declarant in enforcing any of the rights, powers, remedies and privileges of Declarant hereunder, whether prior to the commencement of judicial proceedings and/or thereafter at the trial and/or appellate level and/or in pre- and post-judgment or bankruptcy proceedings.

Section 4. Prohibition against Subdividing Lots. No lot may be subdivided, and in the event that two adjoining lots are sold for the purpose of constructing a single home thereon, the new parcel (consisting of two lots) cannot thereafter be subdivided. The prohibition in this section shall not apply in the event that the Declarant exercises its right under Article VIII Section 3 above to repurchase one or more lots that have been sold for the purpose of constructing a single home. No alteration or adjustment to the property boundary may be made without the prior written consent of the Architectural Control Committee.

ARTICLE IX.

COMMON EASEMENTS: OPEN SPACE

Section 1. Easement of Utilities, Etc. Declarant hereby reserves for itself and its designees (including without limitation, the City/County of Greenville or any utility) blanket easements upon, across, over and under all of the Common Area and to the extent shown on any plat over the Lots for ingress, egress, installation, replacing, repairing and maintaining cable television systems, master television antenna systems, security, walkways, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas and electricity. This reserved easement may be assigned by Declarant by written instrument to the Association, and the Association shall accept the assignment upon such terms and conditions as are acceptable to Declarant. If this reserved easement is assigned to the Association, the Board shall, upon written request, grant such easements as may be reasonably necessary for the development of the Property described on Exhibit "A."

Section 2. Open Space. Pursuant to the requirements of Section 19-5.2.11 of the Land Management Ordinance of the City of Greenville, the Declarant hereby dedicates as permanent open space all areas which are designated as "open space" on the Plat of the Property. As required by Section 19-5.2.11(C)(2), ownership of the open space shall, in whole or in part, either remain with the Declarant, or be conveyed to the Verdae Owners Association, Inc., the Hollingsworth Park at Verdae, Manor, Phase 2 - Section 1 Homeowners' Association, Inc., the City of Greenville (upon approval of the City Council) or to such other entity as may now or hereafter be permitted under Section 19-5.2.11(C)(2). Maintenance of the open space shall be the responsibility of the entity which owns the open space. Designated open space may contain trails, paths or other passive recreational amenities and shall be subject to any easements of record existing as of the date of this Declaration. Declarant hereby reserves the right to remove trees and other natural vegetation from any open space for utility easements, passive recreational uses, drainageways, and normal maintenance, including the removal dead or fallen trees as required from time to time. Otherwise, no Owner, the Association, the Master Association or Declarant shall have the right to remove or destroy any trees or natural vegetation from any open space for any purpose without the approval of the Greenville City Planning Commission or its staff.

ARTICLE X.
LEASING

Liability for Assessments Use of Common Elements and Compliance with Declaration, Bylaws, and Rules and Regulations. Each Owner covenants and agrees that any lease of a Lot shall provide that the tenant shall comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other Occupants and guests of the leased Lot in order to ensure such compliance. The Owner shall cause all Occupants of his or her Lot to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Lot are also fully liable and may be sanctioned for any such violation. If the tenant, or a person living with the tenant, violates the Declaration, Bylaws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the tenant, and such fine may be assessed against the tenant. If the fine is not paid by the tenant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association of the tenant's failure to pay the fine. Unpaid fines shall constitute a lien against the Lot.

Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto by the tenant, any Occupant, or any guest of tenant, is deemed to be at default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with South Carolina law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the tenant for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant

thereto, including the power and authority to evict the tenant as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. If the Association proceeds to evict the tenant, any costs, including reasonable attorneys' fees actually incurred and court costs associated with the eviction shall be an assessment and lien against the Lot.

ARTICLE XI.
INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area. The Board shall also obtain a public liability policy covering the Common Area, the Declarant, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents.

Premiums for all insurance on the Common Area shall be common expenses of the Association. The 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 of the improvements. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance.

Cost of insurance coverage obtained by the Association for the Common Area and other improvements for which the Association is responsible shall be included as an Assessment as defined in Article VI.

The Association's Board of Directors shall 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 canceled, 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;
- (iv) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(v) that no policy may be canceled 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 make every reasonable effort to obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on the Declarant, 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 compensation and may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

ARTICLE XII.
MORTGAGEE'S RIGHTS

In addition to the rights enumerated in Article IX above, the Association shall make available upon request to any Lot Owner and lender, and to any holder, insurer, or guarantor of any first mortgage, current copies of this Declaration, the Bylaws, and other rules concerning the affairs and management of the Property, and the books, records, and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours.

Upon request, the Association shall furnish to any holder of a first mortgage, a financial statement for the Association's immediately preceding fiscal year.

Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any mortgage holder, insurer, or guarantor will be entitled to 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 Owners' Association;
- (d) any proposed act that required the consent of a specified percentage of mortgage holders.

ARTICLE XIII.
PARTY WALLS AND SHARED FENCES

Section 1. General Rules of Law to Apply. Each wall or fence which is built upon this Property and placed on a dividing line between residential Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall in equal proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who uses the wall may restore it, and if the other Owner(s) thereafter makes use of the wall, he shall contribute to the cost or restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner(s) to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Damage. Notwithstanding any other provision of this Article, an Owner, who, by his negligent or willful act, causes a party wall to be damaged shall pay the replacement cost, except to the extent insurance shall provide payment. An Owner who by his negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall run with the land and shall pass to successors in title.

Section 6. Arbitration. Any dispute concerning a party wall, or other provision of this Article, shall be resolved by arbitration. Each party to the dispute shall choose an arbitrator, such arbitrators shall choose one additional arbitrator, and a resolution shall be by a majority of the arbitrators, which decision shall be final and binding on all parties.

ARTICLE XIV.
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, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, unless otherwise expressly limited herein, after which time said covenants shall be automatically extended for successive periods of twenty (20) years each.

Section 2. Notices. Any notice required to be sent to any Member under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as a Member on the records of the Association at the time of such mailing.

Section 3. Enforcement. The Declarant, the Association, or any Member, shall have the right to enforce these covenants and restrictions by any proceeding at law or in equity, against any person or persons violating or attempting to violate any covenant or restriction, to restrain violations, to require specific performance and/or to recover damages; and against the land to enforce any lien created by these covenants; and failure by the Association or any Member to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The expense of enforcement by the Association shall be chargeable to the Owner of the Lot violating these covenants and restrictions and shall constitute a lien on the Lot, collectible in the same manner as assessments hereunder. Additionally, the Declarant and the Association shall have the right to establish a system of fines for violations of these covenants and restrictions, and shall deliver notice of such fine system to each Member as the fine system shall be established and changed from time to time.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect the validity of any other provisions, which shall remain in full force and effect.

Section 5. Waiver. No restriction, condition, obligation or provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 6. Captions. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration.

Section 7. Gender, Etc. Whenever in this Declaration the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

Section 8. Conflicts. This Declaration is superior to all provisions of the Association Bylaws. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Bylaws. In the event of any conflict between this Declaration and the Bylaws, the provisions of this Declaration shall control, and in the event of any conflict between this Declaration or the Bylaws and any of the laws of the State of South Carolina, the provisions of the statute shall control.

Section 9. Amendment. Unless specifically prohibited herein, this Declaration may be amended by an instrument signed by Owners holding not less than sixty-seven percent (67%) of the votes of the membership at any time. Any amendment must be

properly recorded to be effective. During the first twenty (20) years from the date of the recording of this Declaration, any amendment must also be approved by the Declarant.

NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THE DECLARANT RESERVES THE RIGHT FOR A PERIOD OF TWENTY (20) YEARS FROM THE DATE HEREOF TO UNILATERALLY AMEND THIS DECLARATION TO COMPLY WITH THE REQUIREMENTS OF ANY GOVERNMENTAL AGENCY, FEDERAL, STATE OR LOCAL, AND FOR THE REQUIREMENTS OF ANY MORTGAGE LENDER OR FOR ANY REASON THAT THE DECLARANT DEEMS ADVISABLE FOR ORDERLY DEVELOPMENT OF HOLLINGSWORTH PARK AT VERDAE, MANOR, PHASE 2 - SECTION 1

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused these presents to be signed by the officer duly authorized so to do as of the day and year first above written.

In the presence of:

Verdae Development, Inc.

Eileen A. Hoge
Witness Signature

By:

Rick Sumarel
Rick Sumarel
Its: Executive Vice-President

Brittany Baldwin
Notary Public Signature

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

Before me, the undersigned, a Notary Public within and for said State and County, duly commissioned and qualified, personally appeared Rick Sumerel, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Executive Vice-President of Verdae Development, Inc., a South Carolina corporation, the within named Declarant, and that he as such Chief Operating Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation any by himself as such Chief Operating Officer, and he further acknowledged that he executed said instrument as the free act and deed of the corporation.

WITNESS my hand and Notarial Seal at office in said State and County this 3rd day of September, 2008.

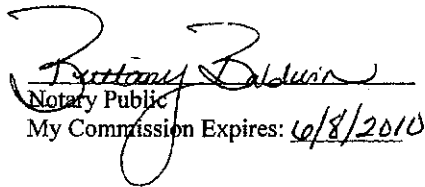

Notary Public
My Commission Expires: 6/8/2010

EXHIBIT A

All those certain pieces, parcels or lots of land situate, lying and being in the City of Greenville, County of Greenville, State of South Carolina, as shown and more fully described by metes and bounds on plat of survey prepared for Verdae Development, Inc. by Freeland & Associates, Inc., entitled "Hollingsworth Park at Verdae-Manor, Phase 2-Section 1, dated May 6, 2008, and recorded in the Office of the Register of Deeds for Greenville County in Plat Book 1068, Page 63 which plat is incorporated herein by reference and made a part of this description.

The above-described property is a portion of the property conveyed to Verdae Development, Inc. by deed of Hollingsworth Funds, Inc. and Verdae Properties, LLC recorded in the Office of the Register of Deeds for Greenville County in Deed Book 2210, page 1781 on June 15, 2006.

FILED FOR RECORD IN GREENVILLE COUNTY, SC ROD
2008080702 Book: DE 2338 Page: 1294-1320
September 03, 2008 10:32:45 AM

Timothy J. Manning