

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
GLEN RIDGE TOWNHOMES**

THIS DECLARATION is made this 17th day of January, 2002, by GLENRIDGE DEVELOPMENT COMPANY, LLC, a South Carolina limited liability company (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the real property in Fort Mill Township, York County, South Carolina, shown on recorded maps of **GLEN RIDGE TOWNHOMES**, which is more particularly described in Article I below, and desires to create thereon a residential community of single-family attached residential units to be named **GLEN RIDGE TOWNHOMES**; and

WHEREAS, Declarant desires to insure the attractiveness of the community, to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within the community and to provide for the maintenance and upkeep of the exterior of all residential units and the Common Area, as hereinafter defined; and to this end, desires to subject the real property as hereinafter described to the coverage of the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property described below, and each owner thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in the community and to provide for the maintenance and upkeep of the exterior of all residential units and the Common Area, to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the Common Area, maintaining the exterior of the residential units, administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated or will incorporate under South Carolina law, **GLEN RIDGE OWNERS' ASSOCIATION**, as a non-profit corporation for the purpose of exercising and performing the aforesaid functions.

NOW, THEREFORE, Declarant hereby declares that all of the properties described in Article 1, Section 1 below, and such additions thereto as may be hereafter made pursuant to Article 1, Section 2 hereof, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any

right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

PROPERTIES SUBJECT TO DECLARATION

Section One: Property. The Property/Properties which initially are and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, and within the jurisdiction of the Association, are more particularly described on Exhibit "A" attached hereto.

Section Two: Additions to Existing Property. Additional real property may be brought within the scheme of this Declaration in the following manner:

(a) Additional land within the area described in the description attached hereto as Exhibit "B" may be annexed to the Properties by Declarant, in future stages of development and in one or more phases, without the consent of any other Lot Owner or Owners or any mortgagee.

(b) The additions authorized under Subsection (a) above shall be made by filing of record a Supplement to Declaration of Covenants, Conditions and Restrictions with respect to the additional properties, which shall extend the scheme of this Declaration to such properties and thereby subject such additions to the benefits, agreements, restrictions and obligations set forth herein.

Notwithstanding the above, Declarant, nor any other party, shall be required or under any obligation to annex all or any portion of the Exhibit "B" property into the Properties.

ARTICLE II

DEFINITIONS

Section One. "Association" shall mean and refer to **GLEN RIDGE OWNERS' ASSOCIATION**, its successors and assigns.

Section Two. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having any interest merely as security for the performance of an obligation.

Section Three. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section Four. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area and shall include all improvements thereon.

Section Five. "Declarant" shall mean and refer to **GLENRIDGE DEVELOPMENT COMPANY, LLC**, its successors and assigns, if such successors or assigns should acquire all of the Declarant's interest in the Properties.

Section Six. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. Common Areas, with respect to the property subject to this Declaration, shall be shown on the various plats of **GLEN RIDGE TOWNHOMES** recorded or to be recorded in the County Public Registry and designated thereon as "Common Areas," but shall exclude all lots as hereinafter defined and all public streets shown thereon. "Common Area" shall include all private streets shown on said plats as now recorded or shall be hereinafter recorded in the County Public Registry. The Common Area to be owned by the Association at the time of the conveyance of the first lot is more particularly shown on the plat(s) of the properties to be recorded in the County Public Registry.

Section Seven. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section Eight. "Member" shall mean and refer to an Owner who holds membership in the Association pursuant to Article IV of this Declaration.

Section Nine. "County Public Registry" shall mean and refer to the office of the Clerk of Court for York County, South Carolina.

Section Ten. "Special Declarant Rights" shall mean the rights for the benefit of Declarant, including, but not limited to the following: to exercise any development right as otherwise described, referenced, or inferred in this Declaration; to maintain sales offices, management offices, models, and signs advertising **GLEN RIDGE TOWNHOMES**, to use easements through the common area for the purpose of making improvements within **GLEN RIDGE TOWNHOMES** or within such real estate which may be added to **GLEN RIDGE TOWNHOMES**; and to erect, appoint, or remove any officer or Board Member of the Association during any period of Declarant control.

Section Eleven. "Unit" shall mean the individual dwelling unit constructed on any Lot.

ARTICLE III

PROPERTY RIGHTS

Section One. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which 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 charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) The right of the Association to suspend the voting rights and right of use of the recreational facilities by an Owner: (1) during any period for which the Owner is delinquent in the payment of assessments and (2) for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members agreeing to such dedication or transfer has been recorded;

Portions of the Common Area may be conveyed or subjected to a security interest by the Association if persons entitled to cast at least eighty percent (80%) of the votes in the Association agree in writing to that action. Proceeds of the sale or financing of Common Area shall be an asset of the Association. The Association, on behalf of the Lot Owners, may contract to convey Common Area or subject Common Area to a security interest, but the contract is not enforceable against the Association until approved as hereinabove set forth. Thereafter the Association has all powers necessary and appropriate to affect the conveyance or encumbrance, free and clear of any interest of any Lot owner or the Association in or to the Common Area conveyed or encumbered, including the power to execute deeds or other instruments. No conveyance or encumbrance of Common Area may deprive any Lot of its rights of access and support.

- (d) The right of individual owners to the exclusive use of parking spaces as provided in this Article;
- (e) The right of the Association to limit the number of guests of Members;
- (f) The right of the Association to adopt, publish, and enforce rules and regulations as provided in Article IX;
- (g) The right of the Association to enter any lot in order to perform any

maintenance, alteration, or repair required herein to be performed by the Association and the Owner of such lot shall permit the Association or its representative to enter for such purpose at reasonable times and with reasonable advance notice;

(h) The right of the Association or its representative to enter any lot in the case of any emergency threatening such lot or any other lot for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate.

(i) The easement rights of the Declarant reserved in Article X of this Declaration.

Section Two. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area depicted on such map to the Association, free and clear of all encumbrances and liens, except those set forth in this Declaration, utility, and storm drainage easements, prior to the conveyance of the first lot on that particular map. Following conveyance of Common Area to the Association, Declarant shall be entitled to a proration credit for all expenses of the Association incurred by Declarant (including insurance and real estate taxes) which have not theretofore been reimbursed to Declarant. The Common Area shall be conveyed without any express or implied warranties, which warranties are hereby expressly disclaimed by Declarant.

Section Three. Parking Rights. Ownership of each Lot shall entitle the Owner or Owners thereof to the use of that respective dwelling's garage and the appurtenant driveway extending from the street to the garage, together with the right of ingress and egress in and upon said parking areas. The Association may assign and/or designate any additional vehicle parking spaces on the Properties for each dwelling and/or as visitor or short-term parking. Owners shall not be permitted to park vehicles on the streets or Common Area except within area(s) which may be specifically designated for such purposes by the Association.

Section Four. Television Antennas and Cable Service. The Association may provide one or more central television antennas for the convenience of the Members and/or supply, contract, or otherwise make provision for cable television service to be provided to all of the Lots and the cost of these may be included in annual or special assessments.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section One. 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.

Section Two. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned, and in the case of Exhibit "B" additional land owned by the Declarant all proposed Lots which may be subsequently annexed into GLEN RIDGE TOWNHOMES. The Class B. membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; or
- (b) on December 31, 2006.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section One. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, late charges, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, late charges, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section Two. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the enjoyment, health, safety, and welfare of the residents of the Properties and in particular for the improvement and maintenance of the Common Areas and of the exterior of the dwellings, including the maintenance, repair, and reconstruction of private water and/or sewer lines (and any meters or lift stations associated therewith), private streets, driveways, walks, and parking areas situated on the Common Area, such maintenance to include the cutting and removal of weeds and grass, the removal of trash and rubbish, or any other maintenance, and for the exterior maintenance of the residences situated upon the Properties as hereinafter provided, for the use and

enjoyment of the Common Area, including, but not limited to, the cost of repairs, replacements, and additions; the cost of labor, equipment, materials, management, and supervision; the payment of taxes and public assessments assessed against the Common Area; the procurement and maintenance of insurance in accordance with this Declaration; the employment of attorneys to represent the Association when necessary; the provision of adequate reserves for the replacement of capital improvements; including, without limiting the generality of the foregoing, roofs, paving, and any other major expense for which the Association is responsible, and such other needs as may arise. In addition thereto, in further promotion of the enjoyment, health, safety, and welfare of the residents of the Properties, the Board of Directors shall have the authority upon the violation of this Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any assessments, to impose reasonable monetary fines on the Owner guilty of such violation which shall also constitute an equitable charge and a continuing lien upon the properties of such Owner.

Section Three. Reserves. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the common areas and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established, insofar as is practicable, out of regular assessments for common expense.

Section Four. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$75.00 per Lot (except that pursuant to Section Seven of this Article, the maximum annual assessment for Lots owned by Declarant which are not occupied as a residence shall be \$25.00 per Lot).

(A) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Board of Directors effective January 1 of each year, but subject to the limitation that any such increase shall not exceed the greater of ten percent (10%) or the percentage increase in the Consumer Price Index (published by the U.S. Department of Labor) for all cities over the preceding twelve (12) month period which ended on the previous October 1.

(B) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, or until increased as provided for in (a) above or (c) below, whichever last occurs, the maximum annual assessment may be increased above the increase permitted in Section 4(a) above by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

(C) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section Five. Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of supplying adequate reserve funds for the replacement of capital improvements or for

defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and in connection with exterior maintenance, including fixtures and personal property related thereto, *provided that* any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section Six. Notice and Quorum for any Action Authorized Under Sections Four and Five. Written notice of any meeting called for the purpose of taking any action authorized under Section Four(b) or Five shall be sent to all Members no less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at any subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section Seven. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Lots and shall be collected on a monthly pro-rata basis (or on a quarterly pro-rata basis if determined by the Board of Directors). Provided, however, that the assessment for Lots owned by Declarant which are not occupied as a residence, shall at all times be twenty-five percent (25%) of the regular assessments for other Lots.

Section Eight. Date of Commencement of Annual Assessments: Due Dates. The development consists of three buildings on the property described in Exhibit "A" hereto. The real property described in Exhibit "B," if annexed to the Properties pursuant to Section Two of Article I, would consist of approximately twenty-two additional buildings. The annual assessments provided for herein shall commence, on a pro-rata basis, as to each building on the day of the month on which the first Unit in such building is conveyed by Declarant. Such annual assessments shall be paid ratably on a monthly basis, or if determined by the Board of Directors, ratably on a quarterly (i.e. every three month) basis. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. The commencement date for the first annual assessment period shall be the first day of the month following Declarant's conveyance of the first Lot/ Unit to an Owner; however, the commencement date for subsequent annual periods may be changed by a majority vote of the Members present at a duly called meeting of the Association. 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. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section Nine. Effect of Nonpayment of Assessments: Remedies of the Association. A late charge of Fifteen and No/100 Dollars (\$15.00) shall be added to any assessment not paid within fifteen (15) days after the due date, together with interest from the due date at eight percent (8%) per

annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and in either event: interest, costs, and reasonable attorney's fees of any such action shall be added to the assessment. 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.

Section Ten. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which are due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section Eleven. Working Capital Fund. At the time of closing of the sale of each Unit, a sum equal to at least two months' assessment for each Unit shall be collected and transferred to the Association to be held as a working capital fund. The purpose of said fund is to insure that the Association Board will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

ARTICLE VI

EXTERIOR MAINTENANCE AND PARTY WALLS

Section One. Exterior Maintenance. In addition to maintenance of the Limited Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint and/or stain the exterior of the townhouses, repair, replace and care for roofs, exterior building surfaces (including but not limited to siding, trim, and windows), trees and shrubs (excluding those planted by an Owner), grass, walks, mailboxes, fences installed by Declarant or the Association, exterior post lights, and other exterior improvements. Further, the Owner of any Lot may, at his or her election, plant flowers in the front and rear beds established by Declarant in developing the Lot, provided that such landscaping or maintenance by the Owner does not hinder the Association in performing its maintenance of the exterior of the house and the remaining yard spaces. No maintenance by a Lot Owner shall reduce the assessment payable by him to the Association. The Owner shall not plant any vegetation, excepting only flowers in any front planting beds established by the Declarant or the Association for flowers, in the front yard except with the prior written approval of the Association.

Due to differing amounts of exposure to the elements and other factors, the exterior of some Units may require more maintenance than others. It being in the best interest of the entire Association that the exterior of all Units be properly maintained, the Association shall be required to provide the maintenance provided for herein and make a uniform charge without regard to the actual

cost of maintenance of each dwelling or Lot.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Unit is subject. The Association is hereby granted an easement right of access to go upon any Lot for performance of repairs or maintenance, the responsibility of which is the Association's hereunder.

Section Two. Party Walls.

(A) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the dwellings upon the Properties and placed on the dividing line between the 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. No alterations may be made to any party wall other than alterations to the interior surfaces within the Units.

(B) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

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

(D) Weatherproofing. Notwithstanding any other provision of this Article, an owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(E) Right of Contribution Runs With Land The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

(F) Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Section Two, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII

ARCHITECTURAL CONTROL

No building, fence, signs, wall, antenna or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein (including but not limited to, color or painting of the exterior and type of exterior finish, installation of storm (or screen) doors and windows, or changes to any existing or builder-installed construction material, plant material or ground cover) be made, except in exceptional cases, when in such case, three copies of the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board (said committee being hereinafter referred to as the "Architectural Control Committee"). Absent such approval, the proposed improvement may not be commenced. No fence, deck or patio may be erected or constructed so as to extend more than eleven (11) feet from the predominant rear building line of the dwelling located on the Lot. "Predominant Rear Building Line" shall be defined as the original ground floor rear building line (excluding storage rooms). If more than one Rear Building Line exists (due to building offsets) the line with the maximum lineal footage will be considered the "Predominant Rear Building Line." Notwithstanding the above, the Board of Directors of the Association shall have the authority to waive this restriction in exceptional cases where the construction of fences, decks or patios more than eleven (11) feet from the Predominant Rear Building Line do not adversely affect any of the conditions or restrictions contained in this Declaration. No fence, deck or patio may be constructed or erected in or adjacent to the side yard of Lots located at the ends of buildings except with the approval of the Declarant or the Board of Directors of the Association.

In the event an Owner of any Lot in the Properties shall make unauthorized changes to the Lot or Common Area and the improvements situated thereon in a manner unsatisfactory to the said Board of Directors or the Architectural Control Committee, said Board of Directors or the Architectural Control Committee shall have the right, through its agents and employees, to enter upon said property and to repair, maintain and restore the Lot or Common Area and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance and any other costs or attorney's fees incurred in the enforcement of the rights under these provisions shall be added to and become a part of the assessments to which such Owner's Lot is subject. Any approval by the said Board of Directors or the Architectural Control Committee shall be in accordance with the requirements set forth hereafter.

ARTICLE VIII
INSURANCE

Section One. Association Coverage.

(a) **Public Liability.** Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner.

(b) **Property Owned by Association.** The Association's Board or its duly authorized agent shall have the authority to obtain insurance for any improvements to Property owned by the Association against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of the improvements.

(c) **Fidelity Insurance or Bond.** All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust, shall first be bounded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months' assessments, plus reserves accumulated.

(d) **Other Association Insurance.** The Association shall also obtain such other insurance coverage as it deems desirable and necessary.

(d) **Premiums and Proceeds.** Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be included as part of the annual assessment described in Article V above. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association.

(e) **Prohibited Acts.** No Owner shall do or keep anything on the Property which shall cause an increase in the premiums for or the cancellation of any insurance maintained by the Association.

Section Two. Owner's Coverage.

(a) **Hazard Insurance on Units.** It shall be the responsibility of each Owner, at his or her own expense, to obtain hazard insurance in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction to his/her Unit from any hazard. The hazard insurance shall be with a company, in an amount, and in a form which is acceptable to the Association's Board and shall include a loss payable clause listing the Association as an additional insured. Each Owner shall satisfy the Association's Board that at all times their Lot/Unit is covered by the required hazard insurance.

(b) **Repair/Reconstruction for Lots/Units.** In the event of damage to an Owner's

property, the Owner shall contract to rebuild or repair such damaged portions of the property in as good a condition as formerly. In the event the Owner fails to promptly commence and thereafter diligently pursue the repair or rebuilding of a Lot/Unit in the same condition as formerly, the Association's Board, upon obtaining the required approval of the Association, shall have the power to levy a Special Assessment against all Members for the costs of repair and/or re-building, enter upon the Lot and repair and rebuild the same and adjoining party wall(s), and levy a lien against the Lot for the costs of repairing and/or rebuilding with such lien to remain as an encumbrance on title to the Lot until paid in full, with interests and costs of collection added thereto.

ARTICLE IX

USE RESTRICTIONS

Section One. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Areas. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section Two. Antennas. No outside radio transmission tower or receiving antenna shall be erected by an Owner within the restricted property without the prior written approval of the Architectural Control Committee.

Section Three. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section Four. Nuisances. No activity deemed noxious or offensive by the Architectural Control Committee shall be carried on upon any Lot or within the Common Area, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood as determined by said Architectural Control Committee. Examples of such offensive activities shall include, but to be limited to, the origination or emission of any loud or disturbing noise or vibrations, auto or vehicle repairs on the Lot or Common Area, the maintenance of unsightly outdoor storage of personal property (including toys, motorcycles or other motor vehicles, tricycles, bicycles, wood piles or other miscellaneous items) on porches, patios, decks, terraces or yards, or similar unsightly activity not in keeping with the aesthetic character and high level of appearance of the community. The Architectural Control Committee, with the approval of the Board of Directors, may establish reasonable rules and regulations for enforcing the provisions of this Section Four.

Section Five. Parking of Vehicles and Use of Property. No house trailer, boat, boat trailer, camper, tent, shed, or any other such vehicle, trailer, vessel or temporary structure shall be permitted to be parked or placed within the Properties except within area(s) which may be specifically designated for such purposes by the Association; provided, however, temporary buildings and other structures shall

be permitted during the construction period of houses or as a temporary real estate sales office of Developer for the sale of lots. No garage, outbuilding, or other appurtenant structure shall be used for residential purposes, either temporarily or permanently, nor shall any portion of the property (except as expressly stated in the preceding sentence) be used except for residential purposes and for purposes incidental or necessary thereto.

Section Six. Signs. With the exception of signs erected by Declarant pursuant to Article XI hereof, no sign of any kind whatsoever shall be erected upon or displayed or otherwise exposed to view on any lot or any improvement thereon without the prior written consent of the Board of Directors of the Association.

Section Seven. Animals and Pets. No animals, livestock, poultry, or reptiles of any kind shall be raised, bred or kept on any Lot; provided, however, dogs and cats may be kept, provided they are not kept, bred or maintained for any commercial purposes, and provided facilities for such pets, and the pets themselves, do not create a nuisance as determined by the Board of Directors or its designated committee, in which case the nuisance will immediately be abated upon request of said Board of Directors or its designated committee.

Section Eight. Control of Dogs and Cats. Every person owning or having possession, charge, care, custody or control of any dog or cat shall keep such dog or cat exclusively upon his own premises; provided, however, that such dog or cat may be off the premises if it be under the control of a competent person and restrained by a chain, leash or other means of adequate physical control.

Section Nine. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, and all trash, garbage or other waste shall be stored in sanitary containers in accordance with the rules and regulations of the Association or any health or public safety authority having jurisdiction over the property. No trash, garbage or other waste may be placed within the Common Area, except in containers approved by the Board of Directors.

ARTICLE X

EASEMENTS

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone, and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress, egress, and regress across all Common Areas, now or hereafter owned by the Association, for the purpose of construction of improvements within the Properties, including the right of temporary storage of construction materials on said Common

Areas.

So long as Declarant owns any property described on Exhibit "A", Declarant reserves blanket easements and the right to grant such specific easements over all Lots and Common Areas, as may be necessary in conjunction with the orderly development of the property described on Exhibit "A", Exhibit "B", or any adjacent property (including without limitation the planning, construction, marketing, leasing, management and maintenance of improvements) for access, construction and maintenance of public or private utilities and storm drainage (whether subsurface or surface). No such easements may be located within the area beneath any building located thereon.

All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves and walls.

Declarant reserves access easements over all Lots for construction, either for that Lot or any adjacent property and easements for the installation of public or private utilities and storm drainage (whether subsurface or surface).

ARTICLE XI

DECLARANT'S RIGHTS

The right is reserved by Declarant, or its agents, to place and maintain on the Properties all model homes, sales offices, advertising signs and banners and lighting in connection therewith and other promotional facilities at such locations and in such forms as shall be determined by Declarant. There is also reserved reserved unto Declaits agents and prospective purchasers and tenants, the right of ingress, egress and transient parking in and through the Properties for such sales purposes. Declarant also reserves the right to maintain on the Properties without charge (a) a general construction office for Declarant's contractors and (b) appropriate parking facilities for the employees of Declarant's agents and contractors. Declarant's aforesaid reserved rights shall exist at any time Declarant is engaged in the construction, sale or leasing of residences on any portion of the Properties or on any land adjacent to the Properties and no charge shall be made with respect thereto. Notwithstanding any provision herein to the contrary, the rights and easements created under this Declaration are subject to the right of Declarant to execute all documents and do all other acts and things affecting the premises, which in the Declarant's opinion, are required to implement any right of Declarant set forth in this Declaration (including the making of any dedications or conveyances to public use) provided any such document or act is not inconsistent with the then existing property rights of any Owner.

ARTICLE XII

LIMITATIONS ON LITIGATION

Commencement of Litigation. Any litigation by the Association other than as follows (the

Declaration of Covenants, Conditions and Restrictions for Glen Ridge Townhomes

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"Exempt Claims") shall require an affirmative vote of 75 % of the members of the Association prior to the institution of such litigation. Exempt Claims shall be those as follows:

- (a) any suit by the Association against the Declarant and all Persons subject to this Declaration to enforce the provisions of Article V (Assessments);
- (b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article VII (Architectural Control) and Article IX (Use Restrictions);
- (c) any suit between Owners (other than Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under federal law or the laws of the State of South Carolina in the absence of a claim based on the Declaration, By-Laws, Articles or rules of the Association, if the amount in controversy exceeds \$5,000.00;
- (d) and any suit arising out of any written contract between Owners, or between the Declarant and any builder, which would constitute a cause of action under the laws of the State of South Carolina in the absence of the Declaration, By-Laws, and Articles of the Association; and
- (e) any suit in which any party thereof is not either the Association, the Declarant, or a Person subject to this Declaration.

ARTICLE XIII

GENERAL PROVISIONS

Section One. Enforcement. The Association, or any Owner, shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section Three. Amendment. This Declaration may be amended only in strict compliance with the provisions of this Declaration, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of the Declarant.

Section Four. Termination. The Association may be terminated only in strict compliance with the provisions of this Declaration.

Section Five. Management and Contract Rights of Association. Declarant shall enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. Declarant contemplates that the initial manager may be the Declarant or a firm affiliated with the Declarant. No such management contract shall be binding upon the Association except through express adoption or ratification of the terms and conditions of such contract. Any such contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract, without justification or penalty, upon ninety days notice after transfer of management by Declarant to the Association.

Section Six. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and the right to designate a representation to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners' Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

Section Eight. Notices. Any notice required or desired to be given under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, directed to the last known Mortgage Holder or other party entitled to notice, at the last known address for each such party, all as shown on the books and records of the Association at the time such notice is given.

Section Nine. Exculpation. It is expressly understood and agreed that nothing contained in this Declaration shall be interpreted or construed as creating any liability whatsoever, directly or indirectly, against Declarant or any of its officers, members, managers, employees, agents, attorneys, heirs, executors, legal representatives, successors or assigns (collectively the Declarant Related Parties) for monetary relief or damages. In particular, and without limiting the generality of the foregoing, if any proceeding shall be brought to enforce the provisions of this Declaration, the party instituting such proceeding shall not be entitled to take any action to procure any money judgment against any of the Declarant Related Parties.

Section Ten. Conflict with the Act: Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the

provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstance.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed in its corporate name and its corporate seal to be hereunto affixed, by authority of its Board of Directors, the day and year first above written.

WITNESSES:

Marty P. Dwyer
Brean C. Welton

GLENRIDGE DEVELOPMENT COMPANY, LLC

By: T. Gilbert, Jr.
Bonn A. Gilbert, Jr., its Manager

STATE OF SOUTH CAROLINA)
COUNTY OF YORK)

ACKNOWLEDGEMENT
under SC Code §30-5-30(C)

I BRIAN C. WILSON do hereby certify that GLENRIDGE DEVELOPMENT COMPANY, LLC, a South Carolina limited liability company, by Bonn A. Gilbert, Jr., its Manager, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 17th day of January, 2002.

Brian C. Wilson (SEAL)
Notary Public for South Carolina
My Commission Expires: 5-16-2005

EXHIBIT "A"

DESCRIPTION OF PROPERTIES SUBJECT TO DECLARATION
(ARTICLE I, SECTION ONE)

ALL that certain piece, parcel, or lot of land described and depicted as 1.258 Acres on a plat entitled "Property Surveyed for Glenridge Development Company, LLC, Phase I, Located in the Fort Mill Township, York County, South Carolina," dated January 11, 2002, certified to by William Thomas Stanford, Jr., S.C.R.L.S. #17932 of Fisher-Sherer, Inc. Engineering & Surveying and recorded in Plat Book C22 at Page 8 in the Office of the Clerk of Court for York County, South Carolina.

EXHIBIT "B"

DESCRIPTION OF REAL PROPERTY SUBJECT TO ANNEXATION
PURSUANT TO ARTICLE I, SECTION TWO OF DECLARATION

ALL that certain piece, parcel, and lot of land described and depicted as 7.757 Acres on a plat entitled "Property Surveyed for Regent Park Corporation Located in the Fort Mill Township, York County, South Carolina" certified to by William Thomas Stanford, Jr., S.C.R.L.S. #17932 of Fisher-Sherer, Inc. Engineering & Surveying and recorded in Plat Book B-290 at Page 8 in the Office of the Clerk of Court for York County, South Carolina

SAVING AND EXCEPTING that property described in Exhibit "A" hereto and subjected to the Declaration by the provisions of Article One, Section One.

EXHIBIT "C"

**SAMPLE FORM OF SUPPLEMENT TO DECLARATION
(TO BE FILED FOR LANDS TO BE ANNEXED
PURSUANT TO ARTICLE I, SECTION TWO OF DECLARATION)**

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

**SUPPLEMENT TO DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR
GLEN RIDGE TOWNHOMES**

GLENRIDGE DEVELOPMENT COMPANY, LLC, a South Carolina limited liability company, having an address of 4425 Randolph Road, Suite 217, Charlotte, N.C. 28211, does hereby supplement the Declaration of Covenants, Conditions and Restrictions recorded in Book _____ at Page _____, in the Office of the Clerk of Court for York County, South Carolina, as follows:

Pursuant to Section Two of Article I, said Declaration of Covenants, Conditions and Restrictions shall be binding upon all parties having any right, title or interest in the following real property or any part thereof, their heirs, successors and assigns and shall insure to the benefit of each owner thereof. The property to which this Supplement applies is located in York County, South Carolina, and more particularly described as follows:

**SEE LEGAL DESCRIPTION TO BE ATTACHED
AS AN EXHIBIT HERETO**

Except as supplemented above, and as having been previously supplemented or amended of record in the Office of the Clerk of Court for York County (if applicable), said Declaration of Covenants, Conditions and Restrictions shall remain the same and in full force and effect.

GLENRIDGE DEVELOPMENT COMPANY, LLC executes this instrument as the present owner of the property described by Exhibit hereto.

*Declaration of Covenants, Conditions and Restrictions for Glen Ridge Townhomes
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IN WITNESS WHEREOF, GLENRIDGE DEVELOPMENT COMPANY, LLC has caused this instrument to be duly executed this _____ day of _____, 200 ____.

GLENRIDGE DEVELOPMENT COMPANY, LLC

By: _____
Its: Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

ACKNOWLEDGEMENT
under SC Code §30-5-30(C)

I _____, do hereby certify that GLENRIDGE DEVELOPMENT COMPANY, LLC, a South Carolina limited liability company, by _____, its Manager, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the _____ day of _____, 200 ____.

Notary Public for South Carolina
My Commission Expires: _____ (SEAL)

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BYLAWS
OF
GLEN RIDGE
OWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is GLEN RIDGE OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 130 Heritage Boulevard, Fort Mill, York County, South Carolina, but meetings of members and directors may be held at such places within York County, South Carolina or Mecklenburg County, North Carolina, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Glen Ridge Owners' Association, Inc., its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, etc. hereafter described in Section 3 hereof, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Declaration" or "this Declaration" shall mean and refer to the "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GLENRIDGE TOWNHOMES", dated January 17, 2002, recorded in the Clerk of Court's Office for York County, South Carolina, in Deed Book 4122 at Page 1, et seq., and as the same may be amended from time to time, together with any and all supplementary declarations or amendments pursuant to the Declaration which may be recorded from time to time. Reference is made to said Declaration for all of the defined terms which may be used herein in these By-Laws.

Section 4. "Declarant" shall mean and refer to GLENRIDGE DEVELOPMENT COMPANY, LLC, a South Carolina limited liability company, and which shall be hereinafter referred to as "DECLARANT".

Section 5. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within three months from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held during the months of November or December of each year thereafter.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than thirty (30) days nor more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, thirty (30%) percent of the votes of the Class A membership plus, and for so long as the Class B membership exists, an authorized representative of the Class B Members shall constitute a quorum for any action except as otherwise provided in the Declaration and Petition for Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the meeting shall be adjourned and another meeting shall be scheduled for a date not less than ten (10) days nor more than thirty (30) days subsequent to the initial meeting. Written notice of the time and place of the adjourned meeting shall be provided to all Members. The quorum requirement for the adjourned meeting shall be the presence of Members, or of proxies, entitled to cast twenty-five percent (25%) of the total vote of the Class A Membership and a representative of the Class B Members.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot or Unit.

ARTICLE IV
BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, who shall be members of the Association. The Board shall initially consist of three (3) members appointed by the Declarant until the first election, at which time the members shall elect a

three (3) member Board. All members of the Board shall be elected by the members after the appointment of the initial Board by the Declarant. The Board, by majority vote, may at anytime increase the number of Board members from three (3) to five (5), provided, however, that the increase shall not occur until the additional Board members have been elected by the members at a duly called meeting of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect a director for a term of three years, a director for a term of two years and a director for a term of one year, and at each annual meeting thereafter the members shall elect directors for a term of two years. In the event the Board is increased from three members to five in accordance with Section 1 above, the two additional Board members shall be elected for two years and one year respectively.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Other than the initial Board of Directors which will be appointed by the Declarant as provided in Section 1 of Article IV hereof, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The initial Nominating Committee shall be composed of two of the initial members of the Board. Thereafter, the Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. At the first annual meeting of the members and prior to each annual meeting of the members thereafter the Nominating Committee shall be appointed by the Board of Directors to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held periodically at such place and hour as may be fixed from time to time by resolution of the Board. Telephonic meetings are expressly authorized. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Declaration and Petition for Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(1) fix the amount of the Annual Assessment against each Lot and Dwelling Unit at least thirty (30) days in advance of each annual assessment period;

(2) send notice of each Assessment to every Owner subject thereto pursuant to the requirements as provided in the Declaration; and

(3) file a lien and subsequent to such filing, foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Properties to be maintained.

(h) perform all other duties reasonably required of it to satisfy the functions of the Association as set forth in the Declaration and in the Petition for Incorporation.

ARTICLE VIII OFFICERS AND THEIR DUTIES

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

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

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice.

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

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

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

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

Secretary

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

Treasurer

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

ARTICLE IX
MANAGEMENT AGENT

Notwithstanding the above described duties and responsibilities of the officers and directors of the Association, it is acknowledged that officers and directors may from time to time delegate as appropriate and lawful certain of their responsibilities and duties to the Association's Management Agent, if any, and such delegation shall be authorized and permitted herein. The initial management agent shall be Declarant. Thereafter, the Board may employ a management agent at the compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Any such management contracts shall be for a reasonable term and shall provide that either the management agent or the Association may terminate such contract with or without cause by giving no less than ninety (90) days notice to the other party. If at any time during the management of the Property by this or some other professional management entity, any holders, insurers or guarantors of mortgages on Lots or Dwelling Units within the Property shall require that professional management of Association matters be maintained, and the Association is so advised in writing, any decision thereafter by the Association to establish self management by the Association shall require the prior consent of members holding sixty-seven (67%) percent of the votes in the Association and the

approval of holders holding mortgages on Lots and Dwelling Units within the Association which have at least fifty-one (51%) percent of the votes of the Lots and Dwelling Units in the Association subject to holder mortgages.

ARTICLE X COMMITTEES

The Board of Directors shall appoint a Nominating Committee, as provided in these By-Laws and such other committees as deemed appropriate in carrying out the purpose of the Association.

ARTICLE XI BOOKS AND RECORDS

The Association shall make available at all times, during reasonable business hours, to members and mortgage lenders making loans to members current copies of the Declaration, By-Laws, other rules and regulations relating to the Property, and the books, records and financial statements of the Association; provided, that the Association may charge a reasonable fee to cover the cost of copying and administrative time for any copies of information or documents requested. "Available" shall mean available for inspection, upon request, during normal working hours or under other reasonable circumstances. Moreover, if no audited financial statement for the preceding year is available, a mortgage holder shall be allowed to have an audited statement prepared at its own expense.

ARTICLE XII ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the Assessment is made. Any assessments which are not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall be subject to a late charge of eighteen (18%) percent per year on the delinquent amount until the Assessment and any accrued late charges are paid in full. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Properties or abandonment of his Lot or Dwelling Unit.

ARTICLE XIII
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "GLEN RIDGE OWNERS' ASSOCIATION, INC.", or an appropriate abbreviation thereof.

ARTICLE XIV
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, (but not a reconvened meeting pursuant to Article III, Section 4, unless a fifty-one (51%) percent quorum is present in person or by proxy) by a vote in favor of the amendment of at least sixty-seven percent (67%) of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Declaration and Petition for Incorporation and these By-Laws, the Declaration and Petition for Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV
DISSOLUTION

Upon dissolution, liquidation or final determination of the operations of the Corporation, its residual assets must not inure to the direct benefit of any member or shareholder but must be turned over to one or more non-profit organizations which are organized and operate for charitable or non-profit purposes in South Carolina or North Carolina.

ARTICLE XVI
MISCELLANEOUS

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

**RULES AND REGULATIONS
FOR
GLEN RIDGE TOWNHOMES**

Your Board welcomes the assistance of all Owners in the enforcement of these Rules and Regulations. Violations should be reported in writing to the Managing Agent of the Property, and not to the Board or officers of the Association. The Managing Agent will give notice of the violations to the Owner of the violating Townhome occupants and any appropriate committee of the Association. All disagreements will be presented to the Board, which will take appropriate action. Owners are responsible for the compliance of their guests, invitees and tenants.

The following restrictions are contained in the Declaration of Covenants, Conditions and Restrictions, recorded in the York County Clerk of Court's Office, and are summarized below for your convenient reference:

Antennas. No outside antennas (including satellite receivers) may be installed without the prior written approval of the Architectural Control Committee.

Nuisances/ Quiet Enjoyment. No activity deemed noxious or offensive by the Architectural Control Committee shall be carried on, nor shall anything be done which may be or may become an annoyance or nuisance to the neighborhood as determined by the Architectural Control Committee. Examples include, but are not limited to, loud or disturbing noise or vibrations, auto or vehicle repairs, the maintenance of unsightly outdoor storage of personal property (including toys, motorcycles or other motor vehicles, tricycles, bicycles, wood piles or other miscellaneous items) on porches, patios, decks, terraces or yards, and anything else not in keeping with the aesthetics and high level of appearance of the community.

Parking of Vehicles and Use of Property. No house trailer, boat, boat trailer, camper, tent, shed, or any other such vehicle, trailer, vessel or temporary structure may be parked or placed within the Properties except within area(s) which may be specifically designated for such purposes by the Association. No garage shall be used for residential purposes, either temporarily or permanently, nor shall any portion of the property be used except for residential purposes and purposes incidental or necessary thereto.

Signs. With the exception of developer signs, no type of sign may be placed, displayed, or otherwise exposed to view without the prior written consent of the Board.

Animals and Pets. No animals, livestock, poultry, or reptiles of any kind are permitted within any Townhome or in the Common Area; provided, however, dogs and cats will be allowed, provided they are not kept, bred or maintained for any commercial purposes, and provided the pets do not create a nuisance as determined by the Board of Directors or its designated committee.

Control of Dogs and Cats. Dogs and cats must be kept exclusively inside the Owner's

respective Townhome, provided, however, that such dogs or cats may be allowed in the Common Area if under the control of a competent person and restrained by a chain, leash or other means of adequate physical control. It shall be the responsibility of the Townhome Owner to ensure that occupants therein pick-up and remove any defecation of the occupants' pets in the Common Areas.

Garbage and Refuse Disposal. All trash, garbage or other waste must be stored in sanitary containers in accordance with the rules and regulations of the Association and/or any health or public safety authority. No trash, garbage or other waste may be placed within the Common Area, except in containers approved by the Board.

Alterations to the Townhome Exteriors. No storm or screen doors or windows, awnings, canopies, shutters, glass enclosures or projections shall be attached to the exterior of the Townhomes without the prior written approval of the Board or the Architectural Control Committee.

Pursuant to the recorded Declaration, the Board also has the authority to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Areas. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration. The Board has established the following additional Rules and Regulations, which may be amended or added to from time to time:

Fire Prevention. The use of outdoor grills must be at least five feet (5') from the exterior walls or overhangs of each building. No flammable, combustible or explosive fluids, chemicals, or substances shall be kept in any Townhome or on the Common Area.

Window Treatments. Where curtains or blinds are other than white or off-white, they must be lined, or "under draped" in white so that only the white portion of the window treatment is visible from the exterior of the Townhome.

Electronics. No radio, television, telephone or other electronics in a Townhome may interfere with the television, radio, or telephone reception of another Townhome.

Odors. No noxious or unusual odors shall be generated in quantities that they permeate to other Townhomes or the Common Area and become annoyances to other Owners. Normal cooking odors from customary cooking activities shall not be deemed violations to this regulation.

Children. Children must be actively supervised by an adult while outside in the Common Area.