

STATE OF SOUTH CAROLINA ) DECLARATION OF COVENANTS, CONDITIONS,  
COUNTY OF RICHLAND ) RESTRICTIONS, EASEMENTS, LIENS AND  
 ) CHARGES OF CITYHOUSES AT WHEELER HILL

This Declaration is made on the 15<sup>th</sup> day of July, 1987,  
by Wheeler Hill Partnership, a South Carolina General Partner-  
ship, hereinafter referred to as "Declarant."

WHEREAS, the Declarant is the owner of certain real property located in Richland County, South Carolina, more particularly described as follows:

See Attached Exhibit A

WHEREAS, the Declarant intends to develop on the property hereinabove described a residential community to be known as "Cityhouses at Wheeler Hill" (Cityhouses), and Declarant is desirous of maintaining design criteria, location, plans, construction specifications and other controls to assure the integrity of the project; and

WHEREAS, the Declarant has caused Cityhouses Homeowners Association, Inc., a corporation organized under the nonprofit corporation laws of South Carolina, to be formed for the purpose of providing a nonprofit organization to serve as the representative of the owners and residents with respect to: the administration and the enforcement of all covenants, conditions, restrictions, easements and charges contained herein, all liens created hereby, the creation, operation, management and maintenance of the common area; the assessment, collection and application of all charges imposed hereunder; and the promotion otherwise of the health, safety and general welfare of the owners and residents of Cityhouses and the preservation of the values and amenities of Cityhouses; and

WHEREAS, each Purchaser of a lot in Cityhouses will be required to construct and maintain a home therein in accordance with this Declaration; and

WHEREAS, in order to cause the covenants, conditions, restrictions, easements, charges and liens to run with the property, Declarant has executed this instrument.

NOW, THEREFORE, the Declarant hereby declares that all of the property hereinabove described shall be held, sold and conveyed subject to the following covenants, conditions, restrictions, easements, charges and liens, all of which are for the purpose of promoting the common good and general welfare of the owners and residents of Cityhouses and thereby enhancing and protecting the value, desirability and attractiveness of the property herein. These covenants, conditions, restrictions, easements, charges and liens shall run with the title to the Properties and shall be binding on all parties having any right, title or interest in the described property or any part thereof and, subject to the limitations herein provided, shall inure to the benefit of each owner thereof, his heirs, grantees, distributees, successors and assigns.

#### ARTICLE I DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context dictates otherwise) shall have the following meaning:

Section 1. "Association" shall mean and refer to Cityhouses Homeowners Association, Inc., a nonprofit South Carolina corporation, its successors and assigns.

Section 2. "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.

Section 3. "Properties or Property" shall mean and refer to that certain real property hereinabove described, and such additions both real and personal, as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property and personal property owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, together with the improvements thereon, with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Wheeler Hill Partnership, its successors and assigns, or any person, firm or corporation that succeeds to the title of the Declarant. Any such person, firm or corporation shall be entitled to exercise all rights and powers conferred upon the Declarant by this Declaration, Articles of Incorporation, or Bylaws of the Association.

Section 7. "Living Unit" or "Unit" shall mean and refer to any portion of the building situated upon the Property designed and intended for use and occupancy as a residence by a single family as herein provided or as provided in Supplemental Declarations covering all or a part of the Properties.

Section 8. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of Cityhouses Homeowners Association, Inc., a copy of which is attached hereto as Exhibit B.

Section 9. "Bylaws" shall mean and refer to the Bylaws of the Cityhouses Homeowners Association, Inc., a copy of which is attached hereto as Exhibit C.

Section 10. "Board" shall mean and refer to the Board of Directors of Cityhouses Homeowners Association, Inc.

Section 11. "Existing Property" shall mean and refer to that certain real Property described herein which is being held,

transferred, sold, conveyed, given, donated, leased and occupied subject to these covenants.

Section 12. "Additions to Existing Property" shall mean such other property owned by the Declarant or to be owned by the Declarant that is contiguous, or separated only by Joshua Street, with the Existing Properties which may be added to or annexed to the Existing Properties subject to the provisions of ARTICLE II.

Section 13. "Common expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be determined to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation.

#### ARTICLE II ANNEXATION

Section 1. Annexation of Additional Real Property. The Declarant, its successors and assigns, whether it owns lots or not, at any time prior to January 1, 1994, shall have the right, in its sole discretion and without the further consent of the Association, any Owner of a Lot or any mortgagee or other lien holder, to bring within the plan and operation of this Declaration of all or any portion of the property described in Exhibit D attached hereto.

(a) Nothing contained herein, however, shall require or obligate the Declarant, its successors or assigns, to annex any additional real property to the plan or operation of this Declaration nor shall any provision of the plan or operation of this Declaration prohibit any real property, whether or not included within the description contained herein, from being subjected to another Declaration, horizontal property regime, plan of development or association.

(b) No owner, mortgagee or association shall have any right to interfere with the development, if any, by the Declarant of the additional property.

Section 2. Method of Annexation. The additions authorized under this Article shall be made by filing a Supplemental Declaration of Covenants, Conditions, Restrictions Easements, Charges and Liens in the RMC Office for Richland County and said Supplemental Declarations shall be executed by the Declarant, its successors and assigns, and such Supplemental Declaration shall extend the operation and effect of the Covenants, Conditions, Restrictions, Easements, Charges and Liens of the Declaration to such additional property.

(a) The Supplemental Declaration shall describe the real property to be annexed to the plan and operation of this Declaration and shall state that it is being made pursuant to the terms of this Declaration and the jurisdiction of the Association is extended to cover the Property so described in the Supplemental Declaration. The Supplemental Declaration may contain such complimentary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the Property being annexed or the various housing or community style characteristics and development approaches to which the annexed land or parts thereof may be subjected, all of which may be at variance with that of the Existing Properties.

(b) Lot owners who acquire lots in the Existing Property and owners who acquire a lot in the Addition to Existing Property have a right and nonexclusive easement of enjoyment in and to the common area within all properties and an obligation to contribute to the cost of the improvements, operation, and maintenance of all common area and other costs and charges required by this Declaration and any Supplement thereto.

(c) Any Supplemental Declaration recorded in accordance with the terms hereof shall be conclusive in favor of all persons who rely thereon in good faith. From and after the recordation of any Supplemental Declaration and in accordance with the

provisions hereof and subject to the provisions of such Supplemental Declaration, the Property described therein shall be subject to the provisions of other documents applicable to Cityhouses including, this Declaration, the Bylaws, Articles of Incorporation and any Rules and Regulations established by the Board of Directors.

Section 3. General Plan of Development. Any general plan of development shall not bind the Declarant to make the additions to the properties which are shown on said plan or to improve any portion of such additional Property in accordance with said plan until a Supplemental Declaration is filed for such additional Property which subjects it to this Declaration; thereupon, the Declarant shall then develop such additional Property so added in accordance with the plan of development then in effect as the same may then or thereafter be amended from time to time.

The Declarant hereby reserves the right to amend the plan of development in response to changes in economic, environmental, legal or social conditions related to the development or marketing of the Properties or to changes in requirements of governmental agencies or financial institutions.

Section 4. Duties of the Association. The Association shall accept as part of the Existing Properties the Additional Property added pursuant to this ARTICLE II and shall accept all owners thereof as members of the Association, subject to the membership requirements set forth herein and in the Bylaws.

Section 5. Mergers. Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or alternatively, the properties, rights or obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association may administer the covenants, conditions and restrictions established by this

Declaration within the Existing Property together with the covenants, conditions and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any renovation, change or addition to the covenants established by this Declaration within the Existing Property except as hereinafter provided.

ARTICLE III  
PROPERTY RIGHTS

Section 1. Common Area. The Common Area shall be conveyed to the Association within ten (10) days of the recording of this document free and clear of all liens, except a mortgage to The Citizens and Southern National Bank of South Carolina and encumbrances of record, but subject to this Declaration.

Section 2. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in, to, over and through 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 fees for the maintenance of the Common Area and any facility situated upon the Common Area;

(b) The right of the Declarant, and of the Association, to dedicate, transfer, or convey all or any part of the Common Area, with or without consideration, to any governmental body, district, agency, or authority, or to any utility company, provided that no such dedication, transfer or conveyance shall adversely affect the use of the Common Areas by the Members of the Association;

(c) The right of the Declarant, and of the Association, to grant and reserve easements and right-of-ways through, under, over and across the Lots and the Common Areas, for the installation, maintenance, and inspection of lines and appurtenances for public and private water, sewer, drainage, fuel oil and other utilities and services, including a cable television or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Declarant to grant and

reserve easements and right-of-ways through, over and upon and across the Common Areas for the operation and maintenance of the Common Areas;

(d) The right of the Association, in accordance with ARTICLE VIII, Section 15 to levy and assess fines for an infraction of its published Rules and Regulations and/or to suspend, after notice and hearing before the Board, the voting rights and right to use of the recreational facilities by an Owner, his family, guest, invitees or tenants for a period not to exceed sixty (60) days; however, the right of an owner to ingress and egress over the roads and/or parking areas shall not be suspended;

(e) The right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving or repairing the Common Area and to execute and deliver a mortgage on the Common Area; however, a decision to borrow money and deliver a mortgage must be assented to by two-thirds (2/3) of each class of members;

(f) The right of the Declarant, so long as it owns Lots, to place promotional signs and literature in the Common Area;

(g) The right of the Association to enact Rules and Regulations to govern the use of the Common Area.

Section 3. Delegation of Use. After prior written approval by the Board any Owner may delegate, in accordance with the By-laws of the Association, his rights of enjoyment to the Common Area and facilities to the members of his family, who reside on the property, his tenants, or contract purchasers.

Section 4. Additional Structures. Neither the Association nor any Owner shall, without the prior written approval of the Declarant erect, construct, or otherwise locate any structure or other improvement in the Common Area.

#### ARTICLE IV MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner of a Lot which is subject by covenants of record to assessment by the Association

shall be a member of the Association, and the Membership shall be appurtenant to and may not be separated from ownership of any Lot, provided, however, that person or entity that holds any interest merely as security for the performance of an obligation shall not be a member.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all those Owners of Units as defined in ARTICLE IV, Section 1., with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold an interest required for membership under ARTICLE IV, Section 1. When more than one person holds such interest or interest in any Lot, all such persons shall be members, and 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 such Lot.

(b) Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership under ARTICLE IV, Section 1., provided that the Class B membership shall cease and be converted to Class A membership, on the happening of any of the following events whichever occurs earlier:

(1) Four (4) months after the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or

(2) On January 1, 1992.

From and after the happening of these events, whichever occurs earlier, a Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interest required for membership under ARTICLE IV, Section 1.

ARTICLE V  
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of The Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it within the Properties subject to Article V, Section 2, hereby covenants and

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each Owner of any Lot by acceptance of a Deed therefor, whether or not it shall be so expressed in any such Deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) general assessments or charges and; (2) special assessments for capital improvements. Such assessments shall be fixed, established, and collected from time to time as hereinafter provided. The general and special assessments together with such interest, costs and reasonable attorneys' 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 such interest, costs and attorneys' fees shall also be the personal obligation of the person who was the Owner of such property when the assessment fell due. In the case of co-ownership, all such owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of General Assessments. The general assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety and welfare of the residents of the Properties and in particular for the administration, acquisition, improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area and services to the Owners, including, but not limited to, the cost of public and private utilities, cost of maintaining any property operated by Association under a lease or permit, repairs and replacement of roads within the properties, repairs, replacements and additions, the cost of insurance, the cost of labor, materials, management, maintenance and supervision, the payment of any taxes assessed against the Common Area and on any property owned by the Association, payment of charges for garbage services, water and sewer services furnished to the Common Area and the employment of an attorney to represent the Association when necessary and such other needs as may arise.

Section 3. Maximum General Assessments. Until one (1) year from the recording of this Document, the general assessment shall

be One Hundred Eighty and 00/100 (\$180.00) Dollars per year which is payable in equal monthly installments of Fifteen and 00/100 (\$15.00) Dollars per month. The monthly assessment shall be due by the fifth (5th) day of each month or on such date as the Board shall establish.

(a) Thereafter, for each calendar year or portion thereof, the general assessment shall be established by the Board and may be increased annually by the Board without approval of the Owners in an amount not to exceed ten (10%) percent of the maximum annual assessment of the previous year.

(b) Thereafter, the maximum general assessment may be increased above ten (10%) percent by a vote of two-thirds (2/3) of the Lot votes cast by Owners, including Class A and Class B Owners, who vote in person or by proxy at a meeting duly called for this purpose.

(c) The Board may fix a general assessment at an amount not in excess of the maximum.

(d) The Board shall, in connection with the fixing of the general assessments prepare, or cause to be prepared, an annual budget showing the services furnished by the Association and the cost thereof per Unit.

(e) The Board shall, in connection with the fixing of the general assessments, include an adequate reserve fund for maintenance, repair, and replacement of those elements of the Common Area that must be replaced on a periodic basis and are payable in regular installments rather than by special assessments.

Section 4. Special Assessments For Capital Improvements.

In addition to the general assessments authorized by ARTICLE V, Section 1, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the

consent 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. All special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 5. Reserve Fund Established on Initial Sale of Each Lot. At the time of the initial conveyance of each Lot from the Declarant, an Owner shall deposit with the Association a sum of money equal to two (2) months general assessments to establish a working capital fund to meet unforeseen expenditures or purchase any additional equipment or services. The sums paid under this ARTICLE V, Section 5 shall not be considered as advance payments of the general assessment. The monies collected under this ARTICLE V, Section 5 shall be deposited to a fund separate from the fund established to receive the general assessment, special assessments or cluster assessment.

Section 6. Notice for Unauthorized Use Under Sections 3 and 4 of ARTICLE V. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than twenty (20) days nor more than sixty (60) days in advance of the meeting. At such meeting called, the presence of members or proxies entitled to cast fifty (50%) percent 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 for the subsequent meeting shall be the presence of members or proxies entitled to cast fifty (50%) percent of all votes. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both general and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, or any other basis approved by the Board of Directors.

Section 8. Date of Commencement of General Assessments.

(a) Completion of Common Area by Declarant. The Declarant will complete the construction of common improvements in accordance with phasing of the construction of individual houses. Driveways and access to each house will be provided upon completion of each house. The swimming pool area will be completed concurrent with completion of the first eight individual houses with the development.

The Declarant will fulfill all its obligations in accordance with the development plan to complete the construction of the improvements in the Common Area which will be done at the sole cost and expense of the Declarant.

(b) Operation and Maintenance of Common Area by Declarant and Association. Commencing on the day of the conveyance of the first Lot and terminating with the first day of January, 1988, or whenever fifty (50%) per centum of the total Lots shall be conveyed, whichever comes first, the Declarant shall operate and maintain the Common Area at its sole cost and expense and shall provide, at its sole cost and expense, the requisite services contemplated in Article 5, Section 2.

Thereafter, the Association at its sole cost and expense, shall operate and maintain the Common Area and provide the requisite services in connection therewith. Notwithstanding the above, each owner of a Lot shall make his required payment in accordance with this Article.

(c) Due Dates. The Board of Directors shall fix the amount of the general assessment against each Lot at least thirty (30) days in advance of each general assessment. Written notice of the general assessment shall be sent to every Owner subject thereto. The due date of the general assessment 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 9. Effect Of Nonpayment of Assessment. If any assessment is not paid on the date when due, then such assessment

shall become delinquent and shall bear interest at the rate of twelve (12%) percentum per annum after the due date. The cost of collection, including attorneys' fees, shall also be added to the amount due. 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 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 non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination Of The Lien To Mortgage.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now existing or hereafter placed upon the Lot. No sale or transfer of any Lot shall affect the assessment liens, nor relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof except that a holder of a first mortgage that acquires the Lot pursuant to foreclosure of the mortgage or deed in lieu of foreclosure will take the Unit free of unpaid assessments which have accrued prior to the time such holder takes title to the Unit.

ARTICLE VI  
ARCHITECTURAL CONTROL COMMITTEE

No building or other structure, including fences, hedges, or fence-like structures and walls, shall be commenced, erected or maintained upon any Lot nor shall any exterior addition to or change or alteration to any Lot be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same has 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 or more representatives appointed by the Board. In the event said Board, or its architectural control committee, fail to approve or disapprove such design or location within thirty (30) days after said plans and specifications have been

submitted to it, or in any event, if no suit to enjoin the addition, alteration or changes has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII  
COVENANTS, RESERVATIONS, AND USE RESTRICTIONS

Section 1. Land Use and Building Type. No Lot shall be used except for the private residential purposes of a single family, provided, however, that nothing herein shall prevent Declarant from using any dwelling as a model or sales office. No building or structure shall be erected, altered, placed or permitted to remain on any Lot other than one single-family dwelling.

Section 2. Nuisance. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the other Owners.

Section 3. Animals. No animals, livestock or poultry of any kind shall be raised, kept, bred or maintained on any Lot or the Common Area except that a Lot shall be allowed to have no more than two common household pets which are defined to be cats and dogs. Said pets shall be kept on leashes when not on said Owner's Lot.

Section 4. Outside Antennas. No outside radio or television antenna shall be erected on the Lot or the Common Area without the prior written approval of the Board.

Section 5. Clotheslines. No clotheslines or other devices for drying clothes, sheets, blankets, laundry or other articles shall be located upon any Lot or the Common Area nor shall anything be hung, painted or displayed on the outside of the windows, walls or surfaces of any of the buildings except for those installed by Declarant. Notwithstanding the foregoing, the Declarant shall have the right to display signs for promotional, sales, exhibit and administrative purposes upon any portion of the Common Area or Lot until the last Lot is sold and conveyed.

Section 6. Temporary Structures. No structure of a temporary character shall be placed upon a Lot or the Common Area at any time provided, however, that nothing herein shall prevent Declarant from using a temporary structure during the course of construction. The structure shall be removed from the Lot or Common Area upon completion of construction.

Section 7. Trailers, Etc. No trailer, tent, barn, tree house, shed, or similar outbuilding shall be placed on any Lot or the Common Area at any time either temporarily or permanently; however, storage buildings of a design and construction similar to the Unit may be allowed subject to the approval of Declarant or Board of Directors.

Section 8. Commercial Vehicle. No commercial vehicle, construction or like equipment or mobile or stationary trailers of any kind shall be permitted on the Properties except on a temporary basis. Parking of trucks, boats, buses, trailers, camping trailers, motor homes and recreation vehicles is prohibited on Properties or the rights of way of any public or private street in or adjacent to the Properties.

Section 9. Yard and Exterior Maintenance. Plants, grass, trees and improvements now or hereinafter located upon the Common Area shall be maintained by the Association and may not be removed except by permission by the Board or the architectural control committee. Plants, grass, trees and individual units located upon any Lot shall be maintained by the Owner. Plants, grass, or trees located within the right of way of any road within the Properties shall be maintained by the Association.

Section 10. Subdivision. No Lot shall be subdivided or its boundary line changed, except with the written consent of the Declarant.

Section 11. Fuel Tanks. No fuel tanks or similar storage receptacles may be installed, except in connection with a furnace used to heat the Unit.

Section 12. Unlawful Use. No immoral, improper, offensive or unlawfully use may be made of the Property, or any part

thereof, and all laws, ordinances, and regulations of any governmental entity having jurisdiction shall be observed.

Section 13. Garbage. Garbage receptacles shall be installed or used upon the Properties only in accordance with the rules and regulations of the Association or as any governmental entity may direct. If garbage receptacles are required to be placed on the road, the receptacles shall be placed on the road only on the morning of collection and shall be removed from the road the same day that garbage is collected.

Section 14. Prohibited Uses. The Association shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of this Declaration and shall have the right to bring a suit at law or in equity to enforce the Rules and Regulations promulgated by it. The Association shall further have the right to levy fines for violation of such regulations or violations of this Declaration, provided that the fine for a single violation may not, under any circumstances exceed Twenty-five and no/100 (\$25.00) Dollars. For each day a violation continues after notice, it shall be considered a separate violation. Any fines so levied are to be considered an assessment to be levied against the particular owner involved, and any collection may be enforced by the Association in the same manner as the Association is entitled to enforce collection of the other assessments. Fines may be levied against an owner's guest, invitee or tenant and the owner shall be jointly and severally liable with his guest, invitee or tenant for the payment of the same. In the event the Association institutes legal action for the collection of any fines, the owner shall be responsible for payment of reasonable attorney's fees of the Association plus interest and cost of the suit.

#### ARTICLE VIII EASEMENTS

Section 1. Construction. A nonexclusive easement in, upon, over, under, through and across the Common Area and each Lot for as long as the Declarant, its successors and assigns, shall be engaged in the construction, development and sale of

Lots within the Existing Properties or the Additional Properties, which easements shall be for the purpose of construction, installation, maintenance and repair of existing and future structures and appurtenances thereto, for ingress and egress to all Lots and for the use of all roadways, driveways, parking areas, walkways, model homes and common area for sales promotion and exhibition.

Section 2. Utilities. A nonexclusive easement reserved to the Declarant, utility companies, private water and sewer company, cable television companies, private garbage collectors and public agencies in, upon, over, under, through and across the Lots and Common Area for the purpose of installation, maintenance, repair and replacement of (a) all sewer, water, power and telephone, pipes, lines, mains, conduits, poles, transformers, or television facilities and any and all other equipment or machinery necessary or incidental to the proper functioning of any utilities system, whether public or private, serving the Properties; or (b) any other improvements thereto including the right of ingress and egress, which easements shall be for the benefit of (i) Declarant, its successors and assigns as long as it shall be engaged in any construction, development or sale of Lot within the Properties or Additional Properties; and (ii) the Association on a perpetual basis in connection with the proper discharge of its responsibilities incurred under the terms of this documents with respect to the Lots or Common Area.

Section 3. Encroachment Easements. Every Lot Owner shall have a nonexclusive easement for the existence, continuance, and maintenance of any encroachment of his Lot upon any adjoining Lot or the Common Area now existing or which may come into existence hereinafter as a result of construction, repair, shifting, settlement or as a result of condemnation or eminent domain proceedings and said encroachment easements will also exist due to the architectural design of the Living Unit or the practicality of construction of the Living Unit. The Association shall likewise have a nonexclusive easement for the existence, continuances, and maintenance of an encroachment of the Common

Area upon any Lot now existing or which may come into existence hereinafter as a result of construction, repair, shifting, settlement or as a result of condemnation or eminent domain proceedings and said encroachment easements will also exist due to the architectural design of the Common Area or the practicability of construction of the Common Area.

Section 4. Ingress and Egress. Every Owner shall have a nonexclusive easement for ingress and egress to his Lot or parking space in, upon, over, under, through and across the Common Areas as may be reasonably required for such ingress and egress.

Section 5. Mutual Easements. Every Lot Owner shall have a nonexclusive easement to use and maintain all pipes, wires, ducts, cables, conduits, utility lines, drainage lines, water lines and other common facilities located on any portion of the Property which serve the Lot of an individual Owner. The Association or its representative shall have the right of access to each Unit to inspect same in order to correct any conditions threatening another Living Unit or to correct the violation of any provision set forth in the Declaration, the By-laws or in any Rules and Regulations promulgated by the Association; provided, however, that a request for entry is made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate whether the Owner is present at the time or not.

The Owner of a Unit whose wall is on the property line separating two Lots or within five (5) feet thereof shall have a nonexclusive easement over five (5) feet of the adjoining Lot for the purpose of maintaining and repairing said wall, roof, gutters or any aspect of the adjoining Lot. Any damage, including replacement of grass, trees, or shrubbery, done to the easement area shall be repaired or replaced and the easement area restored to its original condition by the Owner of the Unit whose wall needed maintaining or repairing.

Section 6. Drainage. The Declarant, Association and Owners, their successors and assigns, shall have a nonexclusive easement in common in, upon, over, under, across and through the Lots and Common Area for surface water runoff, water runoff from roofs, and drainage caused by natural forces and elements, grading and/or improvements located upon the Lots and Common Area. No Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Properties.

Section 7. Use of Easement. Subject to all of the other Conditions, Covenants and Restrictions contained in this Declaration, each Owner shall have the right to use the portion of his Lot subject to any easement in any manner not inconsistent with the purposes for which such easement is reserved. Subject to all other Conditions, Covenants and Restrictions contained in this Declaration, the Owner shall continuously maintain the area within such easement and all improvements with the bounds, except for such improvements for which a public authority or public utility is or may become responsible for maintenance.

#### ARTICLE IX REPAIR, RESTORATION AND REBUILDING, INSURANCE

Section 1. Maintenance, Restoration, Rebuilding and Repair. It is the responsibility of the Association to maintain and keep in good repair the Common Area. It is the responsibility of each Owner to maintain and keep in good repair his Lot with improvements. In the event any part of the Common Area or any improvements thereon shall be damaged or destroyed by fire or other casualty the Association shall cause the same to be repaired, restored or rebuilt, as the case may be, as rapidly as possible to at least as good a condition as existed immediately prior to such damage. If the damage or destruction of any part of the Common Area is caused by the negligence of any Owner his guests or tenants, the obligation of the Association to repair such damage to the Common Area shall not be affected, but the Association shall have the right to recover damages against such Owner his guest or tenant, jointly and severally, for his negligence,

subject only to the right, if any, of an insurer to seek subrogation against such Owner.

In the event any part of the Properties or any of the Units thereon shall be damaged or destroyed by fire, other casualty or any other cause or event whatsoever, the Owner or Owners of the property so damaged or destroyed shall cause it to be repaired, restored or rebuilt, as the case may be, as rapidly as possible to at least as good a condition as existed immediately prior to such damage or destruction, subject only to the right of the Association (which right is hereby granted to the Association) to authorize and direct such different action as shall be recommended by the Board of Directors and approved by affirmative vote of not less than two-thirds (2/3) of each class of members in person or by proxy, which shall include the affirmative vote of all the Owners whose Units shall have been damaged or destroyed.

Section 2. Board of Directors to Supervise. All repair, restoration or rebuilding pursuant to the provision of this ARTICLE IX shall be carried out under supervision and direction as the Board of the Association shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the Owner or Owners of each Living Unit which shall have been damaged or destroyed shall fully cooperate with, and abide by all instruction and directions of the Association in connection therewith.

Section 3. Rights of Association. The Association is hereby given and shall have the right reasonably to approve the architects, contractors and subcontractors to be employed in connection with such repair, restoration or rebuilding; to coordinate the progress of the work among such various Units; and to hold the proceeds of any insurance which may be payable to account of such casualty or other happening and to control the disbursement thereof in such manner as to assure the sufficiency of funds for the completion of said work or for any other proper purpose.

Section 4. Lien Rights of Association. In any case in which the Owner or Owners of the Unit concerned shall fail to carry out and see to the repair, restoration or rebuilding required by the provisions of this ARTICLE IX, or shall request the Association to carry out and see to such repair, restoration or rebuilding, the Association shall carry out and see to the repair, restoration or rebuilding required by the provisions of this ARTICLE IX, provided, however, that to the extent the insurance proceeds referred to in ARTICLE IX, Section 5 are insufficient as to any particular Living Unit, the Owner thereof shall be responsible to the Association for such deficiency and the Association shall have the right to demand that such Owner execute and deliver a Note for the amount of said deficiency plus interest, at the highest rate permitted by law, and to have such Note secured by a mortgage. The said Note and Mortgage shall provide among other things that attorneys' fees and other costs incurred by the Association in connection with any collection thereof shall be added to the amount of the deficiency.

Section 5. Insurance Required. Each Owner shall maintain in full force at all times insurance covering the improvements erected upon his Lot consisting of, or providing all the protections afforded by, the insurance now generally described as fire, extended coverage, additional extended coverage, vandalism and malicious mischief, to 100% of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation. In addition, if required by any lender, an Owner shall maintain flood insurance and earthquake insurance. All such insurance shall be issued by companies acceptable to the Association, shall name the Association as a loss payee and shall provide that all proceeds becoming payable on account of loss of or damage to such improvements shall be payable to or as directed by the Association, subject only to the rights, limited as herein provided, of any mortgagee for value on the premises. The policies themselves or appropriate certificates showing the evidence of such insurance shall be furnished

to the Association, (and new policies or certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association), in each case at least ten (10) days prior to the expiration date of the expiring insurance. The policies or certificates shall contain a provision that prior to cancellation, the Association shall receive at least ten days written notice thereof. In the event a damaged or destroyed Living Unit shall not be repaired, restored, or rebuilt pursuant to a decision not to repair, restore or rebuild, as provided in ARTICLE IX, Section 1, the proceeds of such insurance shall be payable to such Owner, or the mortgagee of his Living Unit as provided in ARTICLE IX, Section 11, but the site must be restored by the Owner to a state as approved by the Board.

The Board shall maintain in full force at all times insurance concerning the Common Area consisting of, or providing all the protections afforded by, the insurance now generally described as fire, extended coverage, additional extended coverage, vandalism, and malicious mischief, to 100% of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation. The Board shall further maintain in full force and effect a comprehensive general liability insurance policy covering all of the Common Area and any other area that is under its supervision with coverage of at least \$1,000,000.00 for bodily injury and property damage for any single occurrence and which bodily injury or property damage results from the operation, maintenance, or use of the Common Area or property under supervision of Association and, further, said policy of comprehensive general liability insurance should cover any liability relating to contracts to which the Association is a party.

The Board shall further maintain in full force and effect flood insurance on any property within a special flood hazard area as determined by the Federal Insurance Administration Flood Insurance Rate Map.

Section 6. Association Not Liable. The Association and its officers, directors, employees, agents and representatives shall have no liability to any Owner for damage to or loss of either the real or any personal property of said Owner. Each insurer of any of said Owner's interest in said real or personal property shall be bound by the provisions of this Section and shall, by appropriate provision in each policy of insurance concerned, waive its rights of subrogation against the Association and its officers, directors, employees, agents and representatives.

Section 7. Association's Right to Insurance. The failure by any Owner to carry, maintain, or renew any insurance required by this ARTICLE IX shall give the Association the right (but not the duty) to proceed to obtain such insurance or lesser coverage as it may deem advisable, and the cost thereof shall be due to the Association from the Owner of the Unit so insured forthwith upon demand, and such cost shall be collectible and secured in the same manner as assessments.

Section 8. Blanket Coverage. In the event that the Association finds it possible from time to time to effect broader or better coverage without increase in aggregate cost, or equivalent coverage at lesser cost, by the obtaining of a blanket policy or policies of insurance upon all the units in the Properties, the Association shall have and is hereby granted power so to do at the election of its Board of Directors, subject to the consent of the various first mortgage holders on the units and each Owner shall accept and pay a proportionate share of the cost of such insurance, whether by regular assessment or otherwise, in lieu of providing and paying for the individual policies of insurance hereinabove provided for.

Section 9. Obligation of Association. Notwithstanding anything to the contrary herein contained, the obligations of the Association under the provisions of this ARTICLE IX shall be limited to the repair, restoration and rebuilding of the Common Area, and the Association shall not be responsible for repair,

restoration or replacement of any personal property of the Owners or others.

Section 10. Additional Insurance. The Association may, but shall not be required to, obtain and maintain additional insurance as its Board shall from time to time deem prudent with respect to damage to or destruction of improvements located upon the Common Area, or to or of any or all of the homes, from any cause not covered by the insurance hereinabove described, and may also obtain such other kinds of insurance protection against such other matters or happenings as its Board shall from time to time deem prudent.

Section 11. Use of Proceeds. Notwithstanding the foregoing, to the extent required by the terms of any mortgage for value on any part of the Properties, the proceeds of any insurance becoming payable on account of any loss of, or damage to, the part of the Properties so mortgaged shall be paid first to such mortgagee to the extent of its interest; provided, however, that such mortgagee shall cause or permit all such proceeds received by it to be applied upon the cost of repair, restoration or rebuilding of such loss or damage; and shall not apply or seek to apply such proceeds to reduce such mortgage, except for any excess of such proceeds over the full cost of such repair or restoration, unless it shall be determined in accordance with the provisions of this Declaration that such loss or damage is not to be repaired or restored.

#### ARTICLE X CONDEMNATION

Section 1. Common Area. If part or all of the Common Area shall be taken or condemned by any authority having the power of eminent domain, all damages or compensation shall be paid to the Association. The Board shall have the right to act on behalf of the Association with respect to negotiation and litigation affecting the taking of the Property. The Owners at a regular or special meeting shall determine by a vote of no less than two-thirds (2/3) of each class of members in person or by proxy the

manner in which such damages and compensation are to be used or expended.

Section 2. Lots. If part or all of a Lot shall be taken or condemned by any authority having the power of eminent domain, all damages or compensation shall be paid to the Owner thereof. The Owner shall act for himself with respect to negotiation and Properties or any portion thereof shall be subject to the provisions hereof and to the provisions of the Articles of Incorporation and the Bylaws.

#### ARTICLE XI GENERAL PROVISIONS

Section 1. Application. All Owners, employees of Owner and tenants, or any other persons who may in any manner use the Properties or any portion thereof shall be subject to the provisions hereof and to the provisions of the Articles of Incorporation and the Bylaws.

Section 2. Enforcement. The Association, or any Owner, shall have the right to enforce, by any 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 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

Section 4. Agreements. The Association shall be and is hereby authorized to enter into such agreements, including without limitation, management contracts, as it may deem necessary or desirable for the administration and operation of the Common Area and the Lots, if appropriate. Each Owner by acquiring a Lot agrees to be bound by the terms and conditions of all such agreements entered into by the Board on behalf of the Association. A copy of all such agreements shall be made available at the office of the Association for review by an Owner;

however, any agreement shall provide that the Association shall have the right to terminate, without cause, the contract with the manager at any time after transfer of control as provided in ARTICLE IV, Section 2(b). The right to terminate shall further provide that a penalty would not be paid by the Association on account of said termination. The manager shall be entitled to a sixty (60) day notice of the Association's desire to terminate the contract.

Section 5. Duration and Amendment. 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, any owner subject to the terms of this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty-five (35) years from the date of this Declaration is recorded, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years. This Declaration may be dissolved at any time upon the vote of one hundred (100%) percent of the owners. This Declaration may be amended during the initial thirty-five (35) year period by an instrument signed by not less than seventy-five (75%) percent of the owners and thereafter by an instrument signed by not less than seventy-five (75%) percent of the Owners. Said written instrument shall be recorded in the Offices of the R.M.C. for Richland County.

Section 6. Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 7. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and nonpersonal entities, as well as the singular and plural wherever the context requires or permits.

Section 8. Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, or under other reasonable circumstances, be

subject to inspection by any member and by any holder, insurer or guarantor of any first mortgage. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable costs

Upon request, any Owner or the holder of any first mortgage on any Lot, shall be entitled to a financial statement showing the statement of operations and the balance sheet of the Association for the immediately preceding fiscal year.

Section 9. Lender's Notices and Information. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or casualty loss which affects a material portion of the project or any Lot on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder or eligible insurer, or guarantor as applicable;

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Cityhouses Homeowners Association, Inc.; or

(d) Any proposed action requiring consent of a specified percentage of eligible mortgage holders.

IN WITNESS WHEREOF, Wheeler Hill Partnership a South Carolina General Partnership has caused this Declaration to be executed this 15<sup>th</sup> day of July, 1987.

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## WITNESS:

Terri D. J. Fiorini  
George E. Lafayette III  
Terri D. J. Fiorini  
George E. Lafayette III  
Terri D. J. Fiorini  
George E. Lafayette III

STATE OF SOUTH CAROLINA )  
 COUNTY OF RICHLAND )

## WHEELER HILL PARTNERSHIP

BY: The Development  
Group, Inc. (SEAL)

By: John W. Morgan, III  
Its: President

John W. Morgan, III

A. Stevenson Mitchener  
A. Stevenson Mitchener

PROBATE

PERSONALLY appeared before me Terri D. T. Fiorini  
 who, being duly sworn says that she saw the WHEELER HILL PARTNERSHIP, by The Development Group, Inc., its partners, John W. Morgan, III and A. Stevenson Mitchener, sign, seal and as its act and deed deliver the foregoing Declaration for the uses and purposes therein mentioned, and that she with George E. Lafayette III witnessed the execution thereof.

SWORN TO before me this  
15<sup>th</sup> day of July, 1987.

George E. Lafayette III (L.S.)  
 Notary Public of South Carolina  
 My Commission expires: 5-6-97

Terri D. J. Fiorini

EXHIBIT A

All that certain piece, parcel or lot of land situate, lying and being in the City of Columbia, County of Richland, State of South Carolina and being more particularly shown and designated on plat of Cityhouses at Wheeler Hill, Phase I prepared by Site Consultants, Inc. for Wheeler Hill Partnership dated May 26, 1987, recorded July 17, 1987 in Plat Book 50 at page 7698, RMC Office for Richland County and according to said plat having the following metes and bounds: Beginning at an iron at the Southeastern corner of Joshua Street and Wheat Street and running N 73° 46' 14" E for an aggregate distance of 190.12' to an iron; thence turning and running S 16° 13' 50" E for an aggregate distance of 151.45' to an iron; thence turning and running S 73° 43' 30" W for a distance of 89.95' to an iron; thence turning and running N 16° 15' 30" W for a distance of 6.25' to an iron; thence turning and running S 73° 46' 14" W for a distance of 100.28' to an iron; thence turning and running N 16° 11' 10" W for a aggregate distance of 145.25' to the point of commencement.

This being a portion of the property conveyed to Wheeler Hill Partnership by Deed of Carolina Research and Development Corporation dated August 6, 1986, recorded August 8, 1986 in Deed Book D-804 at page 577, RMC Office for Richland County.

TMS No.: Portion of 11307-20-01