

7806-841-367
7806-599-485

201100008560
GRAND HARBOR PROPERTY OWNERS ASSOCIATION
PO BOX 456
NINETY SIX SC 29666

201100008560
Filed for Record in
GREENWOOD COUNTY SC
INGRAM MOON, COUNTY CLERK
12-20-2011 At 10:36 a.m.
RESTRICTION 40.00
Book 1289 Page 80 - 113

| Instrument | Book | Page |
|--------------|------|------|
| 201100008560 | 1289 | 80 |

[SPACE ABOVE RESERVED FOR RECORDING DATA]

Return to: Weisman, Nowack, Curry, & Wilco, P. C.
One Alliance Center, 4th Floor
3500 Lenox Road
Atlanta, Georgia 30326
Attention: George E. Nowack, Jr.

STATE OF SOUTH CAROLINA
COUNTY OF GREENWOOD

Reference: Deed Book: 587
Page: 320

RE-RECORDED
Reference: Deed Book: 591
Page: 318

**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS,
EASEMENTS, LIENS AND CHARGES OF
GRAND HARBOR**

WHEREAS, SCN GROUP GREENWOOD, LLC, a South Carolina limited liability company (the "Declarant") recorded that certain Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor in the Office of the Clerk of Court for Greenwood County, (the "Official Records") in Deed Book 587 at Page 320 and re-recorded in Deed Book 591 at page 318 (the "Declaration"); and

WHEREAS, Declarant recorded that certain Supplemental Declaration and Statement of Protective Covenants, Restrictions, Easements, Liens and Charges of Grand Harbor – Phase II in the Official Records in Deed Book 664 at Page 73; and

WHEREAS, Declarant recorded that certain Amendment of Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor in the Official Records in Deed Book 664 at Page 75; and

WHEREAS, Declarant recorded that certain Supplemental Declaration and Statement of Protective Covenants, Restrictions, and Conditions Imposed upon Grand Harbor Subdivision Phase III and Phase IV in the Official Records in Deed Book 716 at Page 305; and

WHEREAS, Declarant recorded that certain Amendment of Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor in the Official Records in Deed Book 837 at Page 123; and

WHEREAS, Declarant recorded that certain Amendment of Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor in the Official Records in Deed Book 897 at Page 177; and

WHEREAS, Declarant recorded that certain Amendment of Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor in the Official Records in Deed Book 897 at Page 199; and

WHEREAS, Declarant recorded that certain Amendment of Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor in the Official Records in Deed Book 939 at Page 221; and

WHEREAS, Declarant recorded that certain Amendment of Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor in the Official Records in Deed Book 939 at Page 226; and

WHEREAS, Declarant recorded that certain Supplemental Declaration and Statement of Protective Covenants, Restrictions and Conditions Imposed upon Phase VII and the Remainder of Grand Harbor Subdivision in the Official Records in Deed Book 971 at Page 310; and

WHEREAS, Declarant recorded that certain Amendment of Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor in the Official Records in Deed Book 1083 at Page 248; and

WHEREAS, pursuant to Section 5, Article X of the Declaration, the Declaration may be amended by a vote of the cumulative total of two-thirds (2/3) of the Class A votes; and

WHEREAS, pursuant to a duly called meeting of the Association, the required cumulative total of two-thirds (2/3) of the Class A members voted to approve amending the Declaration as provided in this Amendment;

NOW, THEREFORE, the above-referenced Declarations are struck in their entirety and replaced with the following Amended and Restated Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor:

**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS,
EASEMENTS, LIENS AND CHARGES OF
GRAND HARBOR**

TABLE OF CONTENTS

1. NAME 2

2. DEFINITIONS 2

3. SUBMITTED PROPERTY AND ADDITIONAL PROPERTY 4

4. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS 4

5. ALLOCATION OF LIABILITY FOR COMMON EXPENSES. 4

6. ASSESSMENTS 5

7. MAINTENANCE RESPONSIBILITY 8

8. ARCHITECTURAL CONTROLS 10

9. USE RESTRICTIONS 11

10. SALE OF LOTS 17

11. INSURANCE 17

12. REPAIR AND RECONSTRUCTION AFTER PROPERTY DAMAGE 18

13. EMINENT DOMAIN 19

14. EASEMENTS 19

15. AUTHORITY AND ENFORCEMENT 22

16. AMENDMENTS 25

17. GENERAL PROVISIONS 27

1. **NAME**

The name of the Community is Grand Harbor, which is a residential property owners' development.

2. **DEFINITIONS**

Unless the context otherwise requires, capitalized terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall be defined as set forth in this Paragraph 2. Otherwise, the terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the South Carolina Corporation Code.

A. **Amenities Tracts/Amenity Parcel** shall mean and refer to those certain tracts of real property more particularly described on Exhibit "B" attached hereto.

B. **Architectural Control Committee** or **ACC** mean the committee established to exercise the architectural review powers set forth herein, which shall be the Board of Directors of the Association unless the Board appoints a separate Architectural Control Committee.

C. **Articles of Incorporation or Articles** means the Articles of Incorporation of Grand Harbor Property Owners Association, Inc., filed with the Secretary of State of the State of South Carolina.

D. **Association** means Grand Harbor Property Owners Association, Inc., a South Carolina nonprofit corporation, its successors or assigns.

E. **Association Legal Documents** means this Declaration and all exhibits hereto, the Bylaws, the Articles of Incorporation, the plats and all rules and regulations and architectural guidelines for the Association, all as may be supplemented or amended.

F. **Board or Board of Directors** means the body responsible for management and operation of the Association.

G. **Bylaws** means the Bylaws of Grand Harbor Property Owners Association, Inc.

H. **Common Area or Common Property** means any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners including, but not limited to the roads.

I. **Common Expenses** means the expenses incurred or anticipated to be incurred for the general benefit of the Community, including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Area.

J. **Community** means that real estate which is submitted to the provisions of this Declaration, as described in Exhibit "A" attached hereto and incorporated herein by reference. The Community is a residential property owners' development not subject to the South Carolina Horizontal Property Act (S.C. Code Ann §§ 27-31-10 et. seq).

K. **Community-Wide Standard** means the standard of conduct, maintenance, or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors and the Architectural Control Committee.

L. **Declaration** means this Amended and Restated Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor.

M. **Director** means a member of the Association's Board of Directors.

N. **Domestic Partner** means any adult who cohabitates with an Owner, and who has been designated as the Owner's Domestic Partner in a written statement, signed by the Owner and filed with the Association's Secretary. A person shall no longer be a Domestic Partner upon the Secretary's receipt of a written termination notice, signed by either the Owner or the Domestic Partner.

O. **Effective Date** means the date that this Declaration is recorded in the Greenwood County, South Carolina land records.

P. **Eligible Mortgage Holder** means a holder of a first Mortgage secured by a Lot who has submitted a request in writing to the Association to be deemed an Eligible Mortgage Holder. Such notice must include the mortgage holder's name and address and the Lot number or address of the property in the Community secured by such mortgage.

Q. **General Assessment** shall mean assessments levied on all Lots to fund Common Expenses as determined in accordance with the Declaration.

R. **Living Unit** or **Unit** shall mean and refer to any portion of a building situated upon a Lot intended for use and occupancy as a single-family residence.

S. **Lot** means a portion of the Community intended for ownership and use as a single-family dwelling site subject to this Declaration, as shown may be on the Plats for the Community recorded in the Greenwood County, South Carolina land records.

T. **Mortgage** means any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation, including, but not limited to, a transfer or conveyance of fee title for such purpose.

U. **Mortgagee** or **Mortgage Holder** means the holder of any Mortgage.

V. **Occupant** means any person staying overnight in a Living Unit for a total of more than 30 days, either consecutive or nonconsecutive, in any calendar year.

W. **Officer** means an individual who is elected by the Board of Directors to serve as President, Vice President, Secretary, or Treasurer, or to hold such other office as may be established by the Board of Directors.

X. **Owner** means the record title holder of a Lot, but shall not include a Mortgage Holder. For purposes hereof, the holder of a tax deed on a Lot shall be deemed the Owner thereof, notwithstanding the fact that there may exist a right of redemption on such Lot.

Y. **Person** means any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.

Z. **Plats** means those plats of the survey relating to the Community filed in Plat Book 109, Page 109; Plat Book 110, Page 77; Plat Book 114, Page 127; Plat Book 116, Page 3; Plat Book 116, Page 109; Plat Book 116, Page 129; and Plat Book 117, Page 27 of the Greenwood County, South Carolina land records. All of the Plats of survey are incorporated herein by this reference.

AA. **Special Assessment** shall mean assessments levied in accordance with Paragraph 5B of this Declaration.

BB. **Violator** means any Owner who violates the Association Legal Documents and any Owner's family member, guest or Occupant who violates such provisions; provided, however, if an Owner's

family member, guest or Occupant violates the Association Legal Documents, the Owner of the relevant Lot also shall be considered a Violator.

3. SUBMITTED PROPERTY AND ADDITIONAL PROPERTY

A. Submitted Property

The real property in the Community subject to this Declaration is located in Greenwood County, South Carolina, being more particularly described in Exhibit "A" attached to this Declaration, and incorporated herein by this reference and as may be shown on the Plats.

B. Additional Property

Any property shown on any Plat, which property has not been submitted to the Declaration, may be submitted to the Declaration by recording a consent form executed by the owner of such property and by the Board of Directors. Other property not shown on any Plat may be submitted to this Declaration with the approval of Owners holding at least two-thirds of the eligible vote of the total Association membership and by recording a consent form executed by the owner of such property and by the Board of Directors.

4. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

A. Membership

The Association shall have one class of membership. Each Lot Owner shall be a member of the Association. This does not include persons who hold an interest merely as security for the performance of an obligation. The giving of a security interest shall not terminate an Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot owned in the Community. An Owner's spouse or Domestic Partner may exercise all membership rights and privileges of the Owner

B. Voting

The Owner(s) of a Lot shall be entitled to one equally weighted vote for such Lot, which vote may be exercised and suspended as provided in this Declaration and the Bylaws.

5. ALLOCATION OF LIABILITY FOR COMMON EXPENSES

A. General Assessments

Except as provided below, or elsewhere in the Association Legal Documents, the amount of all Common Expenses shall be assessed against all the Lots equally.

B. Special Assessments

In addition to other authorized assessments, the Board may levy Special Assessments from time to time to cover unbudgeted expenses, expenses in excess of those budgeted, expenses necessary due to emergency situations (i.e. acts of God, tornados, hurricanes, ice storms, etc.) or any other purposes as determined by the Board not to exceed ten percent (10%) of the then current General Assessment provided, however, that the Board may only levy such an assessment (not to exceed ten percent [10%] of the then current General Assessment) one (1) time in any given fiscal year of the Association for expenses in excess of those budgeted. Any Special Assessment in excess of ten percent (10%) of the then current General Assessment must be approved by a majority vote of the members in the Association voting in person, by proxy or authorized electronic means at a meeting duly called for such purpose.

C. Specific Special Assessments

Notwithstanding the above, the Board of Directors shall have the power to levy specific special assessments, which in its discretion it shall deem appropriate for any common expenses occasioned by the conduct of an Owner, Occupant, licensee or invitee of an Owner. Failure of the Board to do so shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to do so in the future.

6. ASSESSMENTS

A. Purpose of Assessment

The Association shall have the power to levy assessments as provided herein. Assessments shall be used for any purpose the Board of Directors determines will benefit the Owners or the Community.

B. Creation of the Lien and Personal Obligation For Assessments

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 all assessments and other charges levied pursuant to this Declaration and the Bylaws.

All assessments and charges levied against a Lot and its Owner, together with interest, costs and reasonable attorneys' fees actually incurred (including post-judgment attorneys' fees, costs and expenses), and rents (if the Board of Directors so elects), in the maximum amounts permitted by law, shall be: (1) a charge and a continuing lien against such Lot; and (2) the personal obligation of the Person who is the Owner of the Lot on the due date of the assessment. Each Owner and his or her grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance of the Lot. The Association, in the Board's discretion, may record a notice of such lien in the Greenwood County, South Carolina land records evidencing the lien created under this Declaration.

The lien provided for herein shall be subordinate to the lien of any first mortgage now existing or hereafter placed upon a Lot. No sale or transfer of any Lot shall affect the assessment liens or relieve such lot from liability for any assessments thereafter being 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 Lot free of unpaid assessments which have accrued prior to the time such holder takes title to the Unit.

The General Assessment shall be payable in a single annual payment. The Board shall have the right to establish a payment schedule other than annual. No Owner may exempt himself or herself from liability, or otherwise withhold payment of assessments, for any reason whatsoever.

C. Delinquent Assessments

All assessments and charges not paid on or before the due date shall be delinquent, and the Owner shall be in default. In addition to the powers set forth below for collection of unpaid assessments and charges, the Association shall be entitled to exercise all other rights and remedies provided by law and in equity to satisfy an Owner's debt.

If any assessment or charge, or any part or installment thereof, is not paid in full within 10 days of the due date, or such later date as may be provided by the Board of Directors:

- (1) a late charge equal to the greater of \$10.00 or 10% of the amount not paid, or such higher amounts as may be authorized by law, may be imposed without further notice or warning to the delinquent Owner;
- (2) interest at the rate of 18% per annum, or such higher rate as may be authorized by the law, shall accrue from the due date;
- (3) cost of collection and attorney's fees shall be added to the amount due;

(4) the Association may bring legal action to collect all sums owed under the Declaration and South Carolina law.

If assessments or other charges, or any part thereof, remain unpaid more than 30 days after the due date, the Owner's right to vote and use the Common Property are suspended automatically until all amounts owed are paid in full or the Board of Directors otherwise reinstates such rights in writing; provided, however, the Board may not deny ingress or egress to or from a Lot.

If part payment of assessments or other charges is made, the amount received may be applied first to post-judgment attorneys' fees, costs and expenses, then to costs and attorneys' fees not reduced to a judgment, then to interest, then to late charges, then to delinquent assessments and then to current assessments. Late charges may be assessed on delinquencies that are created by the application of current payments to outstanding delinquent assessments or charges.

D. Computation of General Assessment

(a) The Board shall be responsible for preparing, or causing to be prepared, an annual budget covering the estimated Common Expenses for the following year, including a contribution to establish a reserve fund for maintenance, repair and replacement of those elements of the Common Area that must be replaced or repaired on a periodic basis, and notice of the amount of the General Assessment for the following year. The General Assessment may be increased annually by the Board without approval of the Owners in an amount not to exceed fifteen percent (15%) of the General Assessment of the previous year.

(b) At least thirty (30) days before the Association's annual meeting, or the beginning of each fiscal year, whichever occurs first, the Board shall prepare and deliver to each Owner a copy of the detailed budget covering the estimated Common Expenses and the amount of the General Assessment for the following year.

(c) The budget and the General Assessment shall become effective unless disapproved at a meeting by a majority of the total eligible vote.

(d) If the proposed budget is disapproved as provided in Section D(c) above or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Board shall send a copy of the revised budget to each owner at least thirty (30) days prior to its becoming effective. The revised budget shall become effective unless disapproved as provided in Section D(c) above.

E. Capital Budget and Contribution

The Board of Directors may prepare an annual or multi-year capital reserve budget and may establish a capital reserve fund contribution based on such budget. Capital reserve budgets should take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost.

F. Capital Contribution Assessment Upon Transfer of Lots

In addition to all other assessments and charges provided for herein, upon any conveyance or transfer of a Lot, other than to an Immediate Family Member, heir of the Owner or a Trust, the purchaser or grantee thereof shall be assessed and be subject to a non-refundable, non-prorated capital contribution assessment ("Capital Contribution Assessment") to establish and to fund a working capital fund to meet the expenditures of purchases of any additional equipment, services, or capital improvements deemed necessary by the Association. The sums paid under this Section shall not be considered as advance payments of the General Assessments. Immediate Family Members, for the purposes of this Section are defined as an Owner's parents, spouse, and children.

For the fiscal year of the Effective Date, the Capital Contribution Assessment shall be \$250.00. The Board of Directors may increase the Capital Contribution Assessment each year not more than 10% above the prior year's Capital Contribution Assessment amount.

The Capital Contribution Assessment shall constitute a specific special assessment against such Lot, a continuing lien against such Lot, and a personal obligation of the Owner of such Lot.

G. Foreclosure Administration Fee

It is recognized that foreclosures of mortgages on Lots create substantial administrative and other burdens on the Association. These additional burdens on the Association include, but are not limited to, having to monitor the status of mortgages and legal periodicals to determine when foreclosures occur, searching the Greenwood County, South Carolina land records to determine the names of the purchasers at foreclosure sales, contacting the foreclosure purchasers/owners regarding foreclosure-purchaser responsibilities and assessment obligations and updating Association records multiple times to deal with just a single Lot. The Association is authorized to assess individual Owners certain fees and expenses occasioned by and benefiting just those Owners or those Owners' Lots. In accordance with these provisions, and in addition to annual assessments, special assessments, specific special assessments, and other charges provided for in this Declaration, any Person who acquires a Lot at a foreclosure sale of the mortgage on such Lot, or by deed in lieu of a foreclosure, will be required to pay the Association a Foreclosure Administration Fee of \$1,000.00 at the time the foreclosure deed or deed in lieu of foreclosure is recorded in the Greenwood County, South Carolina records. The Foreclosure Administration Fee shall constitute a specific special assessment as described in this Declaration.

H. Statement of Account

Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments and charges due and unpaid, including but not limited to any late charges, interest, fines, attorneys' fees or other charges against such Lot. The Association shall respond in writing within five business days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein, if such statement is reasonably relied upon in connection with the issuance of any Mortgage on such Lot.

I. Surplus Funds and Common Profits

Common profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board of Directors, be: (1) distributed to the Owners; (2) credited to the next assessment chargeable to the Owners; or (3) added to the Association's capital reserve account.

J. Amenity Tract Assessments

As provided in the amendment approved by the members at the 2010 annual meeting, the Owner(s) of the Amenities Tracts shall pay to the Association assessments in accordance with the following terms.

(a) Commencing on January 1, 2011, the owner(s) of the Amenities Tracts shall pay to the Association the Equivalent of the then current General Assessments for nineteen (19) Lots with Units for each Amenities Tract:

(b) Commencing on January 1 of the subsequent year after the owner(s) of the Amenities Tracts have issued one hundred (100) full golf memberships at the Grand Harbor Golf and Yacht Club, the owner(s) of the Amenities Tracts shall pay to the Association the equivalent of the then General Assessments for thirty (30) Lots with Units for each Amenities Tract:

(c) Commencing on January 1 of the subsequent year after the owner(s) of the Amenities Tracts have issued one hundred fifty (150) full golf memberships at the Grand Harbor Golf and Yacht Club, the owner(s) of the Amenities Tracts shall pay to the Association the equivalent of the then General Assessments for forty-five (45) Lots with Units for each Amenities Tract: and

(d) Commencing on January 1, 2014, regardless of the number of full golf memberships issued by the owner(s) of the Amenities Tracts, the owner(s) of the Amenities Tracts shall pay to the Association the equivalent of the then General Assessments for forty-five (45) Lots with Units for each Amenities Tract.

The purpose of the assessments to be paid by the owner(s) of the Amenities Tracts is to ensure said owner(s) contribute their equitable share of the Property's costs for Common Area maintenance, landscaping, monitoring and to contribute to the reserves for the Common Area utilized by said Owner(s) and its guests, licensees, employees, and members.

The owner(s) of the Amenities Tracts reserve the right to maintain and/or repair any portion of the Common Areas utilized by or for the benefit of said Owner(s), its guests, licensees, employees or members and charge the Association for any expense related thereto in the event the Association *fails* or refuses to reasonably maintain or repair the Common Areas.

The assessments to be paid by the owner(s) of the Amenities Tracts shall be paid as determined by the Board.

7. MAINTENANCE RESPONSIBILITY

A. Owner's Responsibility

(1) **Maintaining Developed Lots/Living Units.** Each Owner shall maintain and keep his or her Developed Lot/Living Unit in good repair, condition and order. This maintenance obligation shall include, but not be limited to, roofs, gutters, downspouts, exterior building surfaces, foundations and foundation walls, windows, doors, trees, shrubs, grass, walks, walls and other improvements on the Owner's Lot. Such maintenance shall be performed consistent with this Declaration and the Community-Wide Standard established pursuant hereto. Each Owner shall perform his or her responsibility hereunder in such manner so as not to unreasonably disturb other Lot Owners.

(2) Maintaining of Un-Developed Lots.

- a. Undeveloped Lots shall be maintained so as to prevent, in the sole opinion of the Board, the creation of a nuisance. An Owner shall be responsible for the periodic removal of trash and debris and shall control weeds and grasses by mowing or bush-hogging the Lot a minimum of twice a year.
- b. Waterfront lots must be maintained to keep erosion from taking place and to mitigate any potential silt washing into Lake Greenwood.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Property by an Owner or Occupant which is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Property) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

B. Association's Responsibility

The Association shall maintain, keep in good repair, replace and, in the Board of Directors' discretion, improve or alter the Common Property. This maintenance obligation shall include amenities, paved access and parking areas, greenbelts, trees, shrubs, grass, walks, drives and other improvements located on the Common Property. The Association shall also maintain and keep in good repair all water and sewer pipes or facilities which serve the Common Property, to the extent that such pipes and facilities are not maintained by public, private, or municipal utility companies.

The Association shall have the right, but not the obligation, to maintain public rights of way adjacent to the Community and other property not owned by the Association, if the Board of Directors in its sole discretion, determines that such maintenance would benefit the Community. At any point thereafter, the Board can cease to maintain such property and such maintenance obligation will revert back to the party originally responsible therefore.

The foregoing maintenance shall be performed consistent with the Community-Wide Standard.

If, during the course of performing its maintenance responsibilities hereunder, the Board discovers that maintenance, repair or replacement is required of an item which is the Owner's responsibility, and such maintenance, repair or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform such work on behalf of the Owner and at the Owner's sole expense, without prior notice to the Owner, such being deemed an emergency situation hereunder.

If the Board of Directors determines that the need for maintenance or repair on the Common Property is caused through the willful or negligent act of any Owner or Occupant or his or her family, guests, tenants, or invitees, then the Association may charge the cost of any such maintenance, repair, or replacement as a specific special assessment against the Owner's or Occupant's Lot and the Owner thereof.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Lot, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Property or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder, unless such injury or damage results directly and solely from the negligence or gross negligence of the Association. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Paragraph where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

C. Failure to Maintain

If the Board of Directors determines that any Owner has failed or refused to discharge properly his or her maintenance, repair or replacement obligations pursuant to this Paragraph, then the Association shall give the Owner written notice of: (1) the Owner's failure or refusal; (2) the Association's right to provide necessary maintenance, repair, or replacement at the Owner's sole cost and expense and imposition of any fines; and (3) the maintenance, repair, or replacement deemed necessary by the Board.

Unless the Board determines that an emergency exists or a violation is re-occurring for which notice previously has been issued hereunder, the Owner shall have 10 days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within 10 days. If the Board determines that an emergency exists, a violation is re-occurring for which notice has been previously issued hereunder or an Owner has not complied with the demand given by the Association hereunder, the Association may provide any such maintenance, repair or replacement, the costs of which shall be a specific special assessment against the Owner and the Lot.

D. Maintenance Standards and Interpretation

The Board of Directors may establish, interpret and enforce maintenance standards for the Community. These standards may vary over time, however, the variances shall not constitute a waiver by the Board of the right to establish and enforce maintenance standards under this Paragraph. No Board decision or interpretation regarding maintenance standards shall constitute a binding precedent with respect to subsequent Board decisions or interpretations.

8. ARCHITECTURAL CONTROLS

A. Architectural Control Committee

The Architectural Control Committee ("ACC") shall constitute a standing committee of the Association. The ACC shall consist of the Board of Directors unless the Board of Directors delegates to other Persons the authority to serve on the ACC. If not the Board, the ACC shall consist of a minimum of three (3) persons appointed by the Board of Directors based upon needs determined by the Board. Members of the ACC shall serve at the pleasure of the Board.

B. Limitation on Exterior Modifications

Except as otherwise provided herein, no Owner, Occupant, or any other person may, without written approval of the Board or ACC:

- (1) construct any structure or other improvement on a Lot;
- (2) make any change or alteration that affects the exterior appearance of the Living Unit; or
- (3) erect, place or post anything on the Lot that affects the exterior appearance of the Lot, including but not limited to outdoor play and recreational equipment.
- (4) Grade, landscape or otherwise change the appearance of a Lot, excluding seasonal landscaping

Additionally, no modification shall encroach onto the Common Property unless expressly approved in writing by the Board.

C. Standards and Interpretation

The Board of Directors/ACC may establish, amend and publish written Community-Wide Standards for modifications that affect the exterior appearance of Lots. These standards may vary for different parts of the Community, based on street visibility and location of the proposed modification or Lot. Any standards established by the Board/ACC hereunder may be amended or vetoed by a majority of the total Association vote at an Annual Meeting. No Board/ACC decision or interpretation regarding such standards shall constitute a binding precedent with respect to subsequent Board decisions or interpretations.

D. Application Process and Review

The Board of Directors/ACC may establish procedures, forms, conditions and requirements for the submission of applications for modifications to the exterior appearance of a Lot. Such applications shall be in writing and, unless otherwise provided by the Board, submitted to the ACC. If the application requests any variance from provisions of this Declaration or published Community-Wide Standards related to the exterior appearance of the Lot or Living Unit, the Owner must expressly identify such variance in the application. No approval issued hereunder shall authorize such a variance unless that variance is expressly identified in the application and specifically approved in writing by the Board or ACC.

Except as may otherwise be determined by the Board, the ACC or its designated representative shall be the sole arbiter of such application.

The standard for approval of such modifications shall include, but not be limited to: (1) aesthetic consideration; (2) materials to be used; (3) compliance with the Community-Wide Standards, this Declaration, or the design standards which may be established by the Board/ACC; (4) harmony with the external design of the existing dwellings, Lots and structures, and the location in relation to surrounding structures and topography; and (5) any other matter deemed to be relevant or appropriate by the Board or ACC. The Board or ACC shall approve any request that it determines, in its reasonable discretion, to be in substantial compliance with such standard for approval.

E. Ruling on Application

If the Board or ACC fails to approve or to disapprove such application within 30 days after the application and all required information have been submitted, the Owner submitting the application may issue written notice, via certified mail, to the Association President, informing the President of the Owner's intent to proceed with the modification as identified in the application. Unless the Association issues a written disapproval of the application within 10 days of receipt of the Owner's notice, the approval will not be required and this subparagraph will be deemed complied with as to the items specifically identified in the application. However, even if the requirements of this subparagraph are satisfied, nothing herein shall authorize anyone to construct or maintain any modification that is otherwise in violation of the Association Legal Documents, or of any applicable zoning or other laws. Except as provided in this subparagraph, no approval of a modification shall be valid unless issued in writing. Owners may not rely on any verbal approval or statements from any person as the approval required for a modification.

F. Appeal

If the ACC does not consist of the Board of Directors, and the ACC disapproves any application or part thereof, an Owner may, in writing, appeal the ACC's decision to the Board. The notice of appeal must be sent to the Board by certified mail and received by the Board within 14 days from the date of the ACC's disapproval notice, or the decision of the ACC shall become final and all rights of appeal shall terminate. Within 45 days of receipt of a timely appeal, the Board shall approve, disapprove, or conditionally approve the Owner's application, and such ruling shall be final and binding on the Owner.

G. Commencement and Completion of Construction

All construction approved hereunder must be commenced within six months from the date of approval, or such approval shall be deemed revoked, unless the Board or ACC gives a written extension for commencing the work. All modifications to a Lot or Living Unit approved hereunder shall be completed in its entirety within six months from the date of commencement, unless otherwise agreed in writing by the Board or ACC. Initial construction of a Living Unit shall be completed in its entirety within one (1) year from the date of commencement, unless otherwise agreed to in writing by the Board or ACC.

H. Professional Consultants and Fees

The Board of Directors shall be authorized to charge, as a specific special assessment, against any Owner and Lot: (1) a reasonable administrative fee for review of modifications on, or submitted plans for, such Lot; and (2) reasonable fees for any architect, engineer or other professional consultant engaged by the Board to assist with review of modifications on, or submitted plans for, such Lot. Any professional consultants fees shall constitute specific assessments as described in this Declaration.

I. Limitation of Liability

The Association, Board of Directors, ACC, and members thereof, are not responsible for ensuring, and shall not be held liable for any injury, damage or loss arising out of: (1) the quality, structural integrity or soundness of any modification on a Lot; or (2) any modification's compliance with building codes, zoning regulations or other governmental requirements.

9. USE RESTRICTIONS

Each Owner shall be responsible for ensuring that the Owner's family, guests, tenants and Occupants comply with all provisions of the Association Legal Documents. In addition to the following use restrictions, the Board of Directors may establish rules and regulations in accordance with the terms hereof and as specified in the Bylaws.

A. Residential Use

Each Lot shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Lot or any portion of the Community, except that the Owner or Occupant residing in a Living Unit may conduct ancillary business activities within the Living Unit so long as:

- (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Living Unit;
- (2) the business activity does not involve use of the Common Property, except for necessary access to and from the Lot by permitted business invitees;
- (3) the business activity is legal and conforms to all zoning requirements for the Community;
- (4) the business activity does not increase any insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; and
- (5) the business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other Owners or Occupants, as determined in Board of Director's discretion.

The Association has no liability for any business activity in the Community. The Association also has no liability for any action or omission by it, its Directors, Officers, agents, representatives and/or vendors, that may adversely impact an Owner's or Occupant's business activity. Each Owner and Occupant hereby releases and holds harmless the Association, its Directors, Officers, agents, representatives and/or vendors, for any interruption or suspension of, or any damages to, any business activities conducted on a Lot. Owners and Occupants shall obtain whatever supplemental insurance may be necessary to protect their business assets, business continuity and business interests on their Lots. The Association is not obligated to obtain any insurance coverage for any Owner's or Occupant's business activity.

The term "business," as used in this provision, shall include, without limitation, any occupation, work or activity that involves the provision of goods or services to persons other than the provider's family for a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore

B. Occupancy

(1) Number of Occupants. The number of occupants in a Living Unit shall be consistent with the design intent of the plans for such Living Unit approved by the POA/ACC. This occupancy restriction shall not apply to require the removal of any person lawfully occupying a Living Unit on the Effective Date hereof. Upon written application, the Board of Directors shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988.

With the exception of Challenge Golf Group of South Carolina, its partners and successors, if an Owner is a corporation, limited liability company, partnership, trust or other legal entity not being a natural person, the Owner shall designate in writing to the Board the name(s) of the person(s) who will occupy the Living Unit. The designated person(s) to occupy the Living Unit may not be changed more frequently than once every 12 months without the Board's written consent.

(2) Sex Offender. No person who is adjudicated to be a sexual predator or a habitual sex offender and required to register with a designated registering agency, thereby requiring notice to be given pursuant to the South Carolina Sex Offenders Act or similar statute from another jurisdiction, as the same may from time to time be amended, may reside in or occupy a Unit and/or enter onto or remain in or on the Community Property Unit for any length of time. Any violation of this restriction shall subject the Unit Owner and/or any Occupant of the Unit to any and all remedies provided for by law as well as this Declaration. The Association shall not, however, be liable to any Unit Owner or Occupant, or anyone visiting

any Unit Owner or the Association, as a result of the Association's alleged failure, whether negligent, intentional or otherwise, to enforce the provisions of this restriction.

(3) **Multiple Ownership.** No Lot or Living Unit will be used for or subject to any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, et. seq, or any subsequent laws of this State dealing with that or similar type of ownership by a Unit Owner, or which is used for, in conjunction with and/or as an advertised part of any share exchange program which makes available as accommodations the Unit and which is not otherwise registered as a Vacation Time Share Plan or Vacation Multiple Ownership Plan or which utilizes the Unit as accommodations for time share sale prospects of any Person.

C. Subdivision of Lots

No Lot may be subdivided or its boundary lines changed without the prior written approval of the Board of Directors.

D. Use of Common Property

There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on or removed from any part of the Common Property without the express written consent of the Board of Directors. The Association may remove and either discard or store any unauthorized personal property left or kept on the Common Property and the Association shall have no obligation to return, replace or reimburse the owner for such property. The Association is not liable to any Person for any loss of, theft of, or damage to any personal property.

E. Prohibition of Damage and Illegal Conduct

Without prior written consent of the Board of Directors, nothing shall be done or kept in the Community which would increase the Common Expenses, damage the Common Property, or be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body. Noxious, destructive, offensive, hazardous, or unsanitary activity shall not be carried on in the Community, as such activity or conduct may be defined in the Association's rules and regulations.

F. Firearms

The display or discharge of firearms on the Common Property is prohibited, except: (1) by law enforcement officers; and (2) to transport lawful firearms across the Common Property to or from a Lot. The term "firearms" includes, but is not limited to, any device which will or can be converted to expel a projectile by the action of an explosive or electrical charge or by the action of compressed air. Examples of "firearms" as described in this section include, but are not limited to, handguns, rifles, shotguns, stun guns, tasers, "B-B" guns, pellet guns and paintball guns. Additionally, cross-bows and arrows shall be considered a "firearm" pursuant to this Declaration

G. Pets

No Owner or Occupant may keep any animals other than two generally recognized household pets in the Community. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose in the Community. Dogs must be kept on a leash and be under the physical control of a responsible person at all times when outside a Lot's boundaries. Dogs may be left unattended on a Lot only if confined to an area fully enclosed by a fence or controlled by an invisible fence(As defined by the ACC Guidelines). Feces left by pets on the Common Property or on any Lot must be removed promptly by the owner of the pet or the person responsible for the pet.

No animals that the Board determines to be dangerous or objectionable may be brought onto or kept in the Community. If the Board determines that an Owner's or Occupant's pet endangers any person or other pet or creates a nuisance or unreasonable disturbance in the Community, the Board may require that the pet be permanently removed from the Community upon seven days' written notice to such Owner or Occupant. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet and/or obtain a court order requiring the Owner or Occupant to do so. Notwithstanding the above, the Board may

remove any pet without prior notice to the pet's owner if, in the Board's sole discretion, the pet presents an immediate danger to health, safety or property in the Community. All costs, including attorney's fees the Association incurs to remove a pet shall be considered a specific special assessment.

Any Owner or Occupant who keeps or maintains any pet in the Community agrees to indemnify and hereby holds harmless the Association, its Directors, Officers, and agents, from any loss, damage, claim or liability of any kind or character whatsoever related to such pet. The Board may establish additional rules regarding pets in the Community, which may include restrictions on the breeds, number and/or size of permitted pets.

H. Parking

(1) **Streets.** The streets in Grand Harbor are private and not dedicated to public use. Owners and occupants are prohibited from regularly parking vehicles on a street. Parking on the streets of Grand Harbor is limited to occasional and short term visitors to Living Units. Exceptions may be granted by the Board of Directors. Flagrant violation of this provision brought to the attention of the Board may result in the Board taking steps to tow or boot the vehicle(s) after proper written notice as defined in paragraph 3. below.

(2) **Lots.** No Owner or Occupant may keep or bring into the Community more than a reasonable number of vehicles per Lot, as determined in the sole discretion of the Board of Directors. Vehicles must be parked in garages, driveways on Lots, designated parking spaces, or other areas authorized in writing by the Board. Vehicles may not be parked on any grass or landscaped areas on Lots.

(3) **General.** Disabled and stored vehicles are prohibited from being parked in the Community, except in garages. For purposes of this subparagraph, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains in the Community, other than in a garage, for 14 consecutive days or longer without prior written consent of the Board.

Boats, jet-skis, trailers, buses, taxis, hearses, limousines, recreational vehicles, motor homes, campers, panel trucks, trucks with a cargo-load capacity of one ton or more, full-size vans (excluding vans used by handicapped persons, mini-vans or sport utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the South Carolina Department of Motor Vehicles), vehicles containing visible evidence of commercial use (such as tool boxes, tool racks, ladders, ladder racks or tow winches), and vehicles with commercial writings on their exteriors (except for law enforcement and emergency vehicles marked as such) are also prohibited from being parked in the Community, except: (1) in garages or as otherwise approved by the Board; or (2), in the case of service vehicles, on a temporary basis during daytime business hours or during emergencies for the purpose of serving a Lot. The Board may establish additional rules regarding vehicles and parking in the Community, which may include restrictions on the number of vehicles which may be parked in the Community; or (3) motor homes shall be permitted to park on a driveway or a Lot while being loaded, unloaded, or maintained for no more than 72 hours and such additional rules as may be adopted by the Board..

If any vehicle is parked in the Community in violation of this Paragraph or the Association's rules, the Board or agent of the Association may tow or boot the vehicle after 24 hours written notice. Such notice shall: (1) be placed on the vehicle; (2) specify the nature of the violation; (3) warn of possible towing or booting; and (4) state the name and telephone number of a person to contact regarding the violation. If 24 hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six months of such notice, the Board or agent of the Association may have the vehicle towed or booted in accordance with the original notice and without further notice. If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or Occupant's Lot or dwelling, is obstructing the flow of traffic, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed or booted immediately.

The Association has no liability for any towing or booting in accordance with this subparagraph. Each Owner and Occupant hereby releases and holds harmless the Association, its Directors, Officers, agents and representatives, for any claim or damage from any such towing or booting. The Association's

right to tow or boot is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines.

I. Signs

Except as may be provided for herein or as may be required by legal proceedings or any governmental construction permitting process, no signs, advertising posters, political placards or billboards of any kind shall be erected, placed, or permitted to remain in the Community without the prior written consent of the Board of Directors or ACC, other than: (1) two professional security signs not to exceed six inches by six inches each in size displayed on a Lot; (2) The Board may establish rules permitting temporary signs on Lots announcing open houses, births, birthdays or other events for limited periods of time. The Board shall have the right to erect signs on the Common Property.

J. Rubbish and Trash

Owners and Occupants shall regularly remove all rubbish and trash from the Lot. No rubbish or trash shall be placed on the Common Property, except as provided herein. Rubbish and trash shall be disposed of in appropriate sealed bags and placed in proper receptacles for collection. The Board may establish additional rules regarding placement of trash cans for pick-up and/or storage, including requiring trash removal in the Community from a single vendor and establishing schedules for trash can placement and trash pickup.

K. Unsightly or Unkempt Conditions

Owners and Occupants are prohibited from engaging in activities which cause disorderly, unsightly or unkempt conditions on the Common Property or outside a Living Unit, such as the assembly and disassembly of motor vehicles and other mechanical devices. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Living Unit. Only appropriate outdoor items, such as neatly stacked firewood, a reasonable number of potted plants, patio furniture and grills may be kept outside the Living Unit. Owners and Occupants shall maintain such items in a neat and attractive condition, as determined in the Board's sole discretion.

L. Drainage

Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. Each Owner and Occupant shall ensure that any drainage grating and/or headwalls on the Owner's Lot are clear of obstruction and debris. Furthermore, no Owner or Occupant may obstruct or rechannel the drainage flows across the Owner's Lot.

M. Erosion Control; Contamination

No Owner or Occupant shall engage in any activity which creates erosion or siltation problems or causes contamination of or damage to any stream, water course or any other Lot in the Community. Each Owner and Occupant shall be liable for all damages and restoration costs resulting from such unauthorized activity.

N. Impairment of Easements

No Owner or Occupant shall impair any easement existing in the Community, or do any act or allow any condition to exist which will adversely affect the other Lots or their Owners or Occupants.

O. Sight Distance at Intersections

All property located at street-to-street and street-to-cart path intersections shall be landscaped and kept so as to permit safe sight across the intersections. No vehicle, fence, wall, hedge, shrub, tree or other landscaping shall be placed or permitted to remain where it would create a traffic or sight problem.

P. Mailboxes

Each Lot Owner shall be entitled to erect and use a single mailbox in accordance with USPS requirements. An Owner shall be obligated to maintain, replace or restore the mailbox. The Board may establish mailbox standards and require reasonable modifications or upgrades to mailboxes and mailbox posts to meet revised community standards.

Q. Yard Sales

No yard sale, garage sale, flea market or similar activity shall be conducted in the Community without the prior written consent of the Board of Directors and subject to all reasonable conditions that the Board may impose. However, Owners and Occupants may conduct estate sales entirely within their Living Units not more than once in any 12 month period.

R. Antennas and Satellite Dishes

Except as provided below or otherwise approved by the Board of Directors, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors in any portion of the Community. Direct broadcast satellite ("DBS") antennas and multi-channel multi-point distribution services ("MMDS") one meter or less in diameter and television broadcast service antennas may be installed in accordance with rules and regulations of the Federal Communication Commission ("FCC") and the Association. Any such devices shall be installed in the least conspicuous location available on the Lot that permits reception of an acceptable quality signal.

S. Clotheslines

No clotheslines or other devices for drying clothes, sheets, blankets, laundry or any other articles shall be located outdoors upon any Lot or the Common Area.

T. Obligations of Tenants.

Other than short-term tenants of Challenge Golf Group of South Carolina, An Owner must provide each tenant with copies of the Association Legal Documents. The following provisions are incorporated into each lease of any Living Unit, whether or not expressly stated therein, and into the terms of any tenancy or occupancy even if no written lease or agreement exists between the Owner and the tenant:

(1) Compliance with Association Legal Documents.

All terms defined in this Declaration are incorporated herein by this reference. The Owner and each tenant shall comply with all provisions of the Association Legal Documents. The Owner and tenants are responsible for violations committed by any guests of the Living Unit and may be sanctioned for any such violation. In the event of a violation, the Association's Board of Directors shall be authorized to take all enforcement actions against the Owner and/or tenant as authorized under the Association Legal Documents.

(2) Liability for Assessments.

When an Owner who is leasing his or her Living Unit fails to pay an assessment or any other charge to the Association when due, the delinquent Owner hereby consents to the assignment of any rent received from the tenant during the period of the delinquency. In such case, upon request by the Board, the tenant shall pay to the Association all unpaid assessments and other charges payable during and prior to the term of the lease and any other period of occupancy. However, the tenant need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by the tenant shall reduce, by the same amount, the tenant's obligation to make monthly rental payments to the Owner. If the tenant fails to

comply with the Board's request to pay assessments or other charges, such failure shall be deemed a violation of the Declaration and, in addition to all other enforcement rights, the tenant shall pay to the Association all amounts authorized under the Declaration as if the tenant were the Owner of the Living Unit. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(3) Termination of Lease

If a Living Unit is leased or occupied in violation of the Association Legal Documents, or if the Owner, tenant or guest violates the Association Legal Documents, such violation is deemed to be a default under the terms of any lease or occupancy and the Association may require the Owner to evict the tenants. In addition to all other remedies permitted by this Declaration, such default authorizes the Owner and/or the Association, as the Owner's delegate and attorney-in-fact, to terminate the lease and/or occupancy and to evict all tenants, without liability, in accordance with South Carolina law. In any such eviction action by the Association, the Association may terminate the Occupancy rights upon 30 days notice, notwithstanding any notice requirement in the lease or occupancy terms. Once the Association invokes its right to terminate the lease or occupancy and evict the tenant(s), the Owner no longer has the right to extend or revive the terminated occupancy in any way.

10. SALE OF LOTS

An Owner intending to transfer or sell a Lot or any interest in a Lot shall give the Board of Directors written notice of such intention within seven days after executing the transfer or sales documents. As part of the notice, the current Owner shall furnish the Board the name and address of the intended grantee and such other information required by the Board. This Paragraph shall not be construed to create a right of first refusal in the Association or in any third party.

Within seven days after receiving title to a Lot, the purchaser or grantee of the Lot shall give the Board written notice of his or her ownership of the Lot. As part of the notice, the new Owner shall furnish the Owner's name, mailing address and such other information required by the Board.

11. INSURANCE

A. Hazard Insurance on Common Property

The Board of Directors shall obtain hazard insurance for all insurable improvements on the Common Property. This insurance shall include, at a minimum, coverage for fire, wind, storm, hail, vandalism, malicious mischief and civil commotion and shall be in an amount sufficient to cover the full replacement cost of such insurable improvements. Alternatively, the Board may purchase "special form" coverage in like amounts.

B. Association Liability Insurance

The Board shall obtain a public liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, in their capacities as such, with a combined single limit of at least \$1,000,000.00.

C. Directors' and Officers' Liability Insurance

The Board shall obtain a Directors' and Officers' liability insurance policy with a limit of at least \$1,000,000.00.

D. Fidelity Insurance

The Board shall obtain dishonesty insurance on Directors, Officers, employees, and other persons handling or responsible for the Association's funds, regardless of whether they are compensated by the Association. If reasonably available, the dishonesty insurance shall cover at least one-quarter of the annual

assessments from all members plus the reserve funds in the custody of the Association at any time during the term of the policy. The policy must provide that it may not be canceled, substantially modified or subject to non-renewal without at least 30-days prior written notice to the Association.

E. Additional Association Insurance

The Board may obtain such additional insurance as it deems appropriate.

F. Premiums and Deductibles on Association Policies

Premiums for all Association insurance shall be a Common Expense. The policies may contain reasonable deductibles. Deductibles shall not be subtracted from the face amount of the policies in determining whether the insurance equals the full replacement cost of the insurable improvements.

G. General Insurance Provisions

In addition to any other terms the Board deems appropriate, all Association insurance shall be governed by the following provisions:

- (1) All policies shall be written with a company licensed to do business in South Carolina;
- (2) All policies on the Common Property shall be in the name of the Association for the benefit of itself and its members;
- (3) The Board shall have exclusive authority to adjust losses under all Association insurance policies;
- (4) The insurance carried by the Association shall be primary and shall not be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees;
- (5) All property insurance policies shall have an inflation guard endorsement and if subject to co-insurance, an agreed amount endorsement

H. Individual Lot Owner Insurance

Each Owner shall carry property insurance on the Owner's Lot and the Living Unit thereon meeting the same requirements as set forth in subparagraphs (A), (G)(1) and (G)(5) of this Paragraph for insurance on the Common Property.

12. REPAIR AND RECONSTRUCTION AFTER PROPERTY DAMAGE

A. Common Property

In the event of damage to or destruction of any structure on the Common Property, the Board of Directors shall arrange for and supervise the prompt repair or reconstruction of such structure, with such improvements or modifications it deems appropriate, unless 80% of the Owners vote not to do so.

(1) Construction Fund.

Any insurance proceeds collected on a claim against any Association hazard policy and any special assessments collected pursuant to subparagraph (2) below shall constitute a construction fund to be used by the Board for repair or restoration pursuant to this Paragraph.

(2) **Proceeds.**

If the proceeds of insurance are not sufficient to defray the Board's estimated or actual costs of repair or reconstruction, including, but not limited to, any professional fees and premiums for construction bonds the Board deems necessary, the Board may levy a special assessment against all Owners without the necessity of a membership vote or compliance with any other requirements for approval of special assessments in this Declaration. Any surplus funds remaining after the repair or reconstruction is completed shall be common funds of the Association to be used as determined by the Board.

B. Living Unit

In the event of damage to or destruction of any Living Unit, the Owner shall either: (1) within 180 days, repair or reconstruct such Living Unit in accordance with plans and specifications approved by the Board or ACC; or (2) within 60 days, clear the Lot of all debris and sod or landscape all portions of the Lot as approved by the Board or ACC.

13. EMINENT DOMAIN

Whenever any Common Property is taken by, or conveyed in lieu of condemnation to, any authority having condemnation or eminent domain power, the Board of Directors shall give notice thereof to each Owner. If any structure on the Common Property is so taken or conveyed, the Board shall arrange for and supervise the prompt reconstruction of such structure, to the extent sufficient Common Property is available, with such improvements or modifications it deems appropriate, unless 80% of the Owners vote not to do so.

If proceeds from the condemning authority are not sufficient to defray the Board's estimated or actual costs of reconstruction, including, but not limited to, any professional fees and premiums for construction bonds the Board deems necessary, the Board may levy a special assessment against all Owners without the necessity of a membership vote or compliance with any other requirements for approval of special assessments in this Declaration. Any surplus funds remaining after the reconstruction is completed shall be common funds of the Association to be used as determined by the Board.

14. EASEMENTS

A. Easements for Use and Enjoyment

Every Owner shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to his or her 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 situation upon the Common Area;

(b) The right of the Association, to dedicate, transfer, or convey all of 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 Association, to grant and reserve easements and right-of-ways through, under, over, and across the Lots and Common Areas for the installation maintenance, and inspection of lines and appurtenances for public and private water, electric, drainage, gas, 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 Association 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 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 common areas and recreational facilities by an Owner, his family, guests, invitees or tenants for a reasonable period of time; 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 the cumulative total of two-thirds (2/3) of the member votes

(f) As provided in the SCN CGG GHPOA Sale Closing Agreement, the existing right of the Association to access irrigation water from the Grand Harbor Golf and Yacht Club and related amenities shall not be changed or modified as a result of sale of the Patriot Golf Course, any amenities, and the subject real estate Lots.

(g) the right of the Board of Directors to enact rules and regulations governing the use of the Common Area.

B. Utilities.

A nonexclusive easement is reserved to utility companies, private water and sewer companies, cable television companies, private garbage collectors and public agencies in, upon, over, under, through and across the Lots and Common Area for the purposes of installation, maintenance, repair and replacement of (a) all sewer, water, power, television cable and telephone lines, 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 Property; or (b) collection of trash and garbage; or (c) any other improvements thereto including the right of ingress and egress, which easement shall be for the benefit of the Association in connection with the proper discharge of its responsibilities incurred under the terms of this documents with respect to the Lots or Common Area.

C. Encroachment Easements.

During construction of a Living Unit, every Lot Owner shall have a nonexclusive easement over the neighboring Lot(s) for the construction and or repair of the Living Unit. Provided, however, that said Lot Owner shall take steps to ensure that said use of neighboring Lot(s) is minimal and each Lot Owner shall be responsible for repairing any damage and restoring the neighboring Lot(s) to its/their original condition. 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 practicality of construction of the Common Area.

D. Ingress and Egress.

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

E. Mutual Easements.

Every 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 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.

F. Drainage.

The Association and Owners 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 Property.

G. 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. Except as stated to the contrary in this Declaration, the Owner shall continuously maintain the area within such easement and all improvements within its boundaries, except for such improvements for which a public authority or public utility is or may become responsible for maintenance.

H. Easements for Amenities Tracts.

The Declarant reserved for the benefit of the Owner(s) of the Amenities Tracts the following non-exclusive, perpetual, appurtenant easements which shall benefit the Amenities Tracts:

(a) Every Unit, the Common Areas and any property adjacent to any Amenities Tract are burdened with an easement permitting golf balls unintentionally to come upon such Common Areas, Units or property and for golfers at reasonable times and in a reasonable manner to come upon the Common Areas, property, or the exterior portions of a Unit to retrieve errant golf balls; provided, however, if any Unit is fenced or walled, the golfer shall seek the Owner's permission to gain entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following persons be held liable for any damage or injury resulting from any activity on the Amenities Tracts, including but not limited to, any errant golf balls or the exercise of this easement the Declarant, or any successor Declarant the Association or its Members (in their capacity as such); the owner(s) of the Amenities Tracts or their successors, successors-in-title, or assigns; any officer, director, Board member, manager or partner of any of the foregoing, or any officer, member, manager, Board member or director of any partner of the foregoing.

(b) The Owner(s) of the Amenities Tracts, their respective successors and assigns, shall have a perpetual, exclusive easement of access over the Property for the purpose of retrieving golf balls from bodies of water within the Common Areas, if any, lying reasonably within range of golf balls hit from any golf course within such Amenities Tracts.

(c) The Owner(s) of any Amenities Tract within or adjacent to any portion of the Property, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair and replacement of the Amenities Tract or any improvements constructed thereon.

(d) There is hereby established for the benefit of the owner(s) of the Amenities Tracts and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within the Property reasonably necessary to travel between the entrance to the Property and the Amenities Tracts and over those portions of the Property (whether Common Areas or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of any improvements located on the Amenities Tracts. Without limiting the generality of the foregoing, members of the Grand Harbor Golf and Yacht Club (or its successor(s)) and guests and invitees of said club shall have the right to park their vehicles on the roadways located within the Property at reasonable times before, during, and after special events, tournaments and other similar functions held by or at the Amenities Tracts to the extent that the Amenities Tracts have insufficient parking to accommodate such vehicles.

(e) Any portion of the Property immediately adjacent to the Amenities Tracts is hereby burdened with a non-exclusive easement in favor of the adjacent Amenities Tracts for overspray of water from the irrigation system serving the Amenities Tracts. Under no circumstances shall the Association or owner(s) of the Amenities Tracts be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(f) The Declarant reserved for itself, its successors and assigns, the right to assign to the owner(s) of the Amenities Tracts, an easement and all rights to draw water from the lakes, lagoons and ponds within or adjacent to the Property for purposes of irrigation of the Amenities Tracts and for access to and the right to enter upon the lakes, lagoons and ponds within or adjacent to the Property, if any, for installation and maintenance of any irrigation systems. The Declarant further reserved for the Association the right to draw water from the Amenities Tracts irrigations system for purposes of irrigation of the Common Areas provided, however, that the owner(s) of the Amenities Tracts may charge or pass through to the Association the Association's pro rata share of any charges incurred by the owner(s) of the Amenities Tracts from any public or regulatory agency for water use for the irrigation systems.

(g) Each Owner of a Unit adjacent to the Amenities Tracts hereby acknowledges the nature of the easements contained in this Section and any nuisances incidental to the maintenance, operation, and use of, in particular, any golf course.

15. AUTHORITY AND ENFORCEMENT

A. Compliance with Association Legal Documents

All Owners, Occupants, tenants and their guests shall comply with the Association Legal Documents. The Association, and in an appropriate case, one or more aggrieved Owners, may take action to enforce the terms of the Association Legal Documents directly against all Violators. However, if an Owner's family member, tenant, guest or Occupant violates the Association Legal Documents, the Association, in its sole discretion, is permitted to enforce the terms of the Association Legal Documents against: (1) only the Owner; (2) only the violating family member, tenant, guest or Occupant; or (3) both the Owner and the violating family member, tenant, guest or Occupant. Notwithstanding anything herein to the contrary, the Owner of the Lot is always ultimately responsible for his or her own actions and the actions of all family members, Occupants, tenants and guests of such Lot.

Nothing herein shall be construed to affect the rights of an aggrieved Owner to proceed independently for relief from interference with his or her personal or property rights against a Person violating the Association Legal Documents. The Board of Directors may, in its discretion, require the aggrieved Owner to independently pursue all available remedies under South Carolina law against the Violator before the Association intervenes and commences enforcement action against such Violator.

B. Types of Enforcement Actions

In the event of a violation of the Association Legal Documents, the Association shall have the power to take any or all of the following actions separately or simultaneously; provided, however, all suspensions and fines shall comply with the procedures described below and nothing herein shall authorize the Association or the Board to deny ingress and egress to or from a Lot:

- (1) Suspend all Violators' rights to use the Common Property;
- (2) Suspend the voting rights of a violating Owner;
- (3) Impose reasonable fines against all Violators, which shall constitute a lien on the Owner's Lot;
- (4) Use self-help to remedy the violation;

(5) Bring an action for permanent injunction, temporary injunction and/or specific performance to compel the Violator to cease and/or correct the violation; and

(6) Record in the Greenwood County land records a notice of violation identifying any uncured violation of the Association Legal Documents regarding the Lot.

C. Suspension and Fining Procedure

Except as provided below, before imposing fines or suspending right to use the Common Property or the right to vote, the Association shall give a written violation notice to the Violator as provided below.

(1) Violation Notice

The written violation notice to the Violator shall:

- (a) Identify the violation, suspension(s) and/or fine(s) being imposed; and
- (b) Advise the Violator of the right to request a violation hearing before the Board of Directors to contest the violation or request reconsideration suspension(s) or the fine(s).

Notwithstanding the Violator's right to request a violation hearing, suspension(s) and/or fine(s) shall commence on the date of the written violation notice, unless a later date is specified in such notice.

(2) Violation Hearing

If the Violator submits a written request for a violation hearing within 10 days of the date of the violation notice described above, then the Board of Directors shall schedule and hold, in executive session, a violation hearing. If a Violator fails to timely request a violation hearing, such Violator loses the right to contest the violation and request reconsideration of the suspension(s) and/or the fine(s). If a Violator timely requests a violation hearing, the Violator shall have a reasonable opportunity to address the Board regarding the violation; provided, however, the Board may establish rules of conduct for the violation hearing, including but not limited to, limits on the amount of time one person can speak and limits on the number of participants who may be present at one time. The minutes of the violation hearing shall contain a written statement of the results of such hearing.

(3) No Violation Notice and Hearing Required

No violation notice or violation hearing shall be required to:

- (a) impose late charges on delinquent assessments;
- (b) suspend a violating Owner's voting rights if the Violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the violating Owner's right to vote shall be automatic and shall continue until the violation no longer exists or the Board of Directors otherwise reinstates such rights in writing;
- (c) suspend a Violator's right to use the Common Property if the Violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the Violator's right to use the Common Property shall be automatic (which shall allow the Association to tow and/or boot a Violator's vehicle located on the Common Property without complying with the Suspension and Fining Procedures described above);

- (d) Engage in self-help in an emergency;
- (e) Impose fines for each day of a continuing violation, in which case, each day the violation continues or occurs again constitutes a separate violation and fine(s) may be imposed on a per diem basis without any further notice to the Violator; or
- (f) Impose fines if the same violation occurs again on the same Lot, in which case fine(s) may be imposed on a per diem basis without any further notice to the Violator;
- (g) Impose fines for violations of traffic regulations.

D. Self-Help

In addition to all other enforcement rights granted herein, the Board of Directors may elect to enforce any provision of the Association Legal Documents by self-help without the necessity for compliance with the Suspension and Fining Procedures described above.

By way of example and not limitation, the Association or its duly authorized agent shall have the authority to tow vehicles that are in violation of parking regulations and enter a Lot or any portion of the Common Property to abate or remove any structure, thing or condition that violates the Association Legal Documents. Unless an emergency exists, before exercising self-help, the Association shall give the Violator at least two days prior written notice. Such notice shall request that the Violator remove and abate the violation and restore the Lot to substantially the same condition that existed prior to the structure, thing or condition being placed on the Lot and causing the violation. Such removal, abatement and restoration shall be accomplished at the Violator's sole cost and expense. If the same violation occurs again on the same Lot, the Association may exercise self-help without any further notice to the Violator.

E. Injunctions and Other Suits at Law or in Equity

All Owners agree and acknowledge that there may not be adequate remedies at law to enforce the Association Legal Documents. Therefore, in addition to all other enforcement rights granted herein, the Association is hereby entitled to bring an action for permanent injunction, temporary injunction and/or specific performance to compel a Violator to cease and desist and/or correct any violation.

F. Costs and Attorney's Fees for Enforcement Actions

In any action taken by the Association to enforce the Association Legal Documents, the Association shall be entitled to recover from the Violator, any and all costs incurred by the Association, including but not limited to attorneys' fees actually incurred, all of which shall constitute a lien against the violating Owner's Lot.

G. Failure to Enforce

The Board of Directors has the sole discretion to decide which, if any, enforcement action to pursue against each Violator. The failure of the Board to enforce any provision of the Association Legal Documents shall not be deemed a waiver of the right of the Board to do so thereafter. No right of action shall exist against the Association for failure to enforce if the Board of Directors determines that:

- (1) the Association's position is not strong enough to justify taking enforcement action;
- (2) a particular violation is not of such a material nature as to be objectionable to a reasonable person;
- (3) a particular violation is not of such a material nature to justify the expense and resources to pursue or continue to pursue enforcement action;
- (4) the aggrieved Owner or Occupant asserting a failure of enforcement has not independently pursued all available individual remedies under South Carolina law.

16. AMENDMENTS

A. Member Approval Procedure

This Declaration may be amended with the approval of Owners holding 2/3 of the total eligible Association vote. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Greenwood County, South Carolina land records.

B. Default Approval Procedure After Owner Non-Response

It is recognized that, when Owners fail to participate in an amendment vote because of apathy or other reasons which are not based on any disagreement with a proposed amendment, important amendments to the Declaration or Bylaws may have no chance of approval. This subparagraph establishes a mechanism which provides every eligible Owner an opportunity to issue a vote of approval, disapproval or abstention on proposed amendments to the Declaration or Bylaws, but also a realistic mechanism for approving important amendments, without the damaging consequences of Owner non-response.

The Board shall issue notice of all proposed amendments to each Owner. With each such notice, the Board shall include a copy of the proposed amendment, along with a consent form or ballot, which complies with the requirements of the Bylaws. Each such consent form or ballot shall give Owners an opportunity to vote for, vote against or abstain from voting on the proposed amendment.

If the amendment is not approved or defeated by sufficient vote within 60 days of the amendment notice described above, then the Board may seek to obtain default approval from Owners under this subparagraph. In such case, the Board shall send default approval notice, by certified mail and to the address consistent with the notice provision of the Bylaws, to all Owners who have not returned consents or ballots on a proposed amendment within that 60-day period. This default approval notice also shall include a consent form or ballot, as provided above, along with a statement that the Owner's failure to return an executed consent form or ballot, marked with a vote for, a vote against, or an abstention from voting on the amendment, within 30 days of the date of such default approval notice, will be deemed consent to such amendment. If the Board does not receive such consent or ballot within that 30-day period, the Owner shall be deemed to have consented to and approved the amendment.

C. Eligible Mortgage Holder Approval

In addition to approval by the Owners as provided above, material amendments to this Declaration and the Bylaws must be approved by Eligible Mortgage Holders who represent at least 51% of the votes of Lots that are subject to Mortgages held by Eligible Mortgage Holders. Notwithstanding the above, the approval of any proposed amendment by an Eligible Mortgage Holder shall be deemed implied and consented to if the Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within 30 days after the Eligible Mortgage Holder receives notice of the proposed amendment sent by certified or registered mail, return receipt requested.

D. Amendments to Comply with Law or Conform Documents

Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the Owners, may amend this Declaration and the Bylaws to comply with any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA"), or to resolve conflicts between this Declaration, the Bylaws, the Articles, and applicable laws.

E. Validity of Amendments

No Person shall be permitted to bring any legal action to challenge the validity of an amendment to this Declaration or the Bylaws more than one year after the recording thereof in the Greenwood County, South Carolina land records.

F. Additional Covenants Applicable to Phase II

The property subject to these additional covenants are Lots 75 through 119, inclusive, of Phase II of Grand Harbor Subdivision as shown on plats prepared by Davis & Floyd, Surveyors, dated September 25, 2000 and recorded in Plat Book 114, Page 127 in the Office of the Clerk of Court for Greenwood County. As provided in the Supplemental Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges of Grand Harbor Phase II, recorded in Deed Book 664 at Page 73 of the Greenwood County, South Carolina land records:

- (a) All Lots shall be bound by Joint Dock Easements agreement;
- (b) All seawalls and docks shall be the responsibility of each individual Lot Owner for upkeep and maintenance;
- (c) Lots 75-119 of Phase II Grand Harbor shall be subject to an ingress and egress easement reserved by the Ninety Six Commission of Public Works for maintenance of sewer lines servicing said Lots.

G. Additional Covenants Applicable to Phase III and Phase IV

The property subject to these additional covenants are Lots 131 through 218, inclusive, of Phase III and Phase IV of Grand Harbor Subdivision as shown on plats by Jeffrey W. Poole, PLS, recorded in Plat Book 116 at Page 109 and Plat Book 116 at Page 129 in the Office of the Clerk of Court for Greenwood County, which is incorporated herein by reference and made part and parcel hereof. As provided in the Supplemental Declaration of Covenants, Conditions, Restrictions, Easements, Liens and Charges for Grand Harbor Subdivision Phase III and Phase IV, recorded in Deed Book 716 at Page 305 of the Greenwood County, South Carolina land records;

- (a) All individual Owners in Phase III and Phase IV will be responsible for maintaining the existing shore line on their Lot during dock construction to minimize shore line disturbance;
- (b) Fixed pier heads, as they are to dock construction, are to be built over the natural shore line;
- (c) dock permits for all water front Lots in Phase III and Phase IV have been secured and will be made a part of the contract of sale at the time the Lots go under contract. These permits are strictly for the Lot it relates to and not any other Lot;
- (d) All docks shall be the responsibility of each individual Lot Owner for upkeep and maintenance.

H. Harbor Club Membership Requirement

All Owners will be required to join the Grand Harbor Golf and Yacht Club, its successor or assign, and purchase or transfer a membership for each Lot owned. Each Owner must fulfill this Club membership requirement on or before the purchase of their Unit or Lot. Multiple Lot Owners will subject to club policy regarding payment of dues, but a membership must be purchased or transferred for each Lot owned. This requirement is Lot specific and not Owner specific.

17. GENERAL PROVISIONS

A. Security

The Association may, but shall not be required to, provide measures or take actions which directly or indirectly improve security in the Community. Each Owner, for himself or herself and his or her Occupants, tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security. The Association has no duty to provide security in the Community. Furthermore, the Association does not guarantee that Owners, Occupants and other people will not commit criminal acts in the Community or that unauthorized people will not gain access to the Community. It shall be the responsibility of each Owner to protect his or her person and property, and all responsibility to provide such security shall lie solely with each Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of measures undertaken.

B. Dispute Resolution

Before filing any lawsuit or administrative proceeding against the Association, the Board of Directors, any Officer or Director, or the Association's property manager, an Owner or Occupant shall request in writing and attend a meeting with the Board to discuss an amicable resolution of any dispute. The Owner or Occupant shall, in such request and at the meeting, make a good faith effort to explain the grievance and resolve the dispute. Upon receiving a request for a meeting, the Board shall give notice of the date, time and place of the meeting to the person requesting the meeting. The Board shall schedule this meeting for a date not less than seven or more than 30 days from the date of receipt of the meeting request, except with the approval of the Owner or Occupant. After the meeting, the Board shall have a reasonable opportunity to address the Owner's or Occupant's grievance before a suit is filed.

C. No Discrimination

No action shall be taken by the Association or the Board of Directors which would unlawfully discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or handicap.

D. Implied Rights

In addition to express rights, the Association may exercise any right or privilege implied from the existence of any express right or privilege or reasonably necessary to effectuate any such right or privilege.

E. Electronic Records, Notices and Signatures

Notwithstanding any other portion of this Declaration, records, signatures and notices shall not be denied validity or effectiveness hereunder solely on the grounds that they are transmitted, stored, made or presented electronically. The relevant provisions of the Bylaws shall govern the giving of all notices required by this Declaration.

F. Use of Words "Grand Harbor"

"Grand Harbor" is a service mark of the Association. No person shall use the term "Grand Harbor" or any derivative in any printed or promotional material without the Association's prior written consent. However, Owners may use the terms "Grand Harbor"sm in printed or promotional matter where such term is used solely to specify that particular property is located within the Community. Any use of the name "Grand Harbor"sm shall be in a manner in which proprietary rights to such name are protected.

G. Preamble

The preambles and recitals of this Declaration are by reference made a part of this document as if fully stated herein in their entirety.

H. Duration

The covenants and restrictions of this Declaration shall run with and bind the real property in the Community perpetually.

I. Severability

Invalidation of any one of these covenants or restrictions, by judgment, court order, or otherwise, shall in no way affect the application of such provision to other circumstances or affect any other provision(s), which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Officers of Grand Harbor Property Owners Association, Inc., hereby certify that the above amendment and the following amendment to the Bylaws were duly adopted by the required majority of the Association and its membership, with any required notices duly given.

This 5th day of November, 2011.

Sworn to and subscribed to before me this 20 day of Dec., 2011.

[Signature]
Witness

[Signature]
Notary Public
[Notary Seal]

GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC.

By: [Signature] (Seal)
President

Attest: [Signature] (Seal)
Secretary



EXHIBIT A

The real property made subject to this Amended and Restated Declaration is all of the property previously submitted to the Declarations recorded in:

| DEED BOOK | PAGE |
|------------------|-------------|
| 570 | 175 |
| 572 | 78 |
| 587 | 320 |
| 591 | 318 |
| 664 | 73 |
| 664 | 75 |
| 691 | 84 |
| 716 | 305 |
| 837 | 123 |
| 897 | 177 |
| 897 | 199 |
| 939 | 221 |
| 939 | 226 |
| 971 | 310 |
| 1083 | 248 |
| 1083 | 257 |

EXHIBIT B**"Amenity Parcel"**

PARCEL 1: All that certain piece, parcel or lot of land lying, situate and being in the County of Greenwood, State of South Carolina being located in the Grand Harbor subdivision of the County of Greenwood, State of South Carolina containing 4.51 acres, more or less, and more particularly described and designated as "Yacht Club Parcel" on plat of Davis & Floyd of date March 7, 2001, and last revised April 11, 2002, the same admitted to record in the Office of the Clerk of Court for Greenwood County in Plat Book 117, at Page 27, and the same which is incorporated herein by reference; and

PARCEL 2: All that certain piece, parcel or lot of land lying, situate and being in the County of Greenwood, State of South Carolina being located in the Grand Harbor subdivision of the County of Greenwood, State of South Carolina and sharing a common boundary line with PARCEL 1, being more specifically described as being bounded on the north by the 50 foot right of way known as Grand Harbor Boulevard, on the east by the "Yacht Club Parcel", on the south by Lake Greenwood, on the southwest by lots 133 to 140 (inclusive), on the west by lots 131 and 132, and on the northwest by the 50 foot right of way known as Arsenal Drive, being more particularly illustrated on plat of Davis & Floyd of date March 7, 2001, and last revised April 11, 2002, the same admitted to record in the Office of the Clerk of Court for Greenwood County in Plat Book 117, at Page 27, and the same which is incorporated herein by reference

This is a portion of the same identical property conveyed to SCN Group Greenwood, LLC by deed of John S. Abney, Jr. of date May 12, 1999, heretofore entered for record in the Office of the Clerk of Court for Greenwood County in Deed Book 572 at Page 28.

Tax map Sheet: 7806-841-367 (combined result of Parcel 1 and Parcel 2 creating a 7.38 Additional Covenants. +/-)