

TIMBERLAKE ESTATES
OWNERS ASSOCIATION

COVENANTS

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STATE OF SOUTH CAROLINA)
COUNTY OF LEXINGTON)

**2005 COMPREHENSIVE AMENDMENT
AND RESTATEMENT OF THE
DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR TIMBERLAKE
E S T A T E S**

WHEREAS, on January 12, 1996, the Developer recorded that certain Declaration of Covenants, Conditions, Restrictions and Easements for Timberlake Estates, Phase I, in Record Book 3598, at Page 038, Office of the Register of Deeds (“ROD”) for Lexington County, South Carolina; and

AND, WHEREAS, on May 13, 1996, the Developer recorded the First Amendment and Restatement of the Declaration of Covenants, Conditions, Restrictions and Easements for Timberlake Estates, Phase I, in Record Book 3730, at Page 9 Office of the ROD for Lexington County; and

AND, WHEREAS, on May 14, 1996, the Developer recorded a modification of the above document in Record Book 3730, at Page 42, Office of the ROD for Lexington County, wherein Timberlake Estates Phase II was added as additional property covered under the Phase I restrictions; and

AND, WHEREAS, on January 29, 1997, the Developer recorded a Modification of Declaration of Restrictions in Record Book 4029, at Page 124 Office of the ROD for Lexington County, wherein Timberlake Estates Phase III was added as additional property covered under the Phase I and Phase II restrictions; and

AND, WHEREAS, A “Second Amendment and Restatement of the Declaration of Covenants, Conditions, Restrictions and Easements for Timberlake Estates, Phase I and First Amendment and Restatement of the Declaration of Covenants, Conditions, Restrictions and Easements for Timberlake Estates, Phase II and Phase III” was executed by the Declarant on February 13, 1998 and recorded on April 2, 1998, in Record Book 4595, at Page 60, in the Office of the ROD for Lexington County.

AND, WHEREAS, on July 23, 2000, the Timberlake Estates Owners Association, Inc. (“TEOA”) made a modification of the Declaration of Restrictions which were recorded on August 1, 2000, in record Book 5901, at page 347, in the Office of the ROD for Lexington County, wherein certain changes were made to the Declaration of Covenants, Conditions, Restrictions, and Easements for Timberlake Estates, Phases I, II, III; and

AND, WHEREAS, the TEOA is a South Carolina nonprofit corporation and the authorized representative of the owners of certain real property located in the County of Lexington, State of South Carolina, being delineated as TIMBERLAKE ESTATES, PHASE I, PHASE II AND PHASE III (hereinafter referred to as the "Property"), which is more fully described in Exhibit A, attached hereto and incorporated herein by this reference; and

AND, WHEREAS, it is the desire of the TEOA to modify the Declaration of Restrictions by filing this Fourth Amendment and Restatement of the Declaration of Covenants, Conditions, Restrictions and

Easements for Timberlake Estates, Phase I, and Third Amendment and Restatement of the Declaration of Covenants, Conditions, Restrictions and Easements for Timberlake Estates Phase II and Phase III; and

AND, WHEREAS, TEOA intends by this Declaration to impose upon the Property, described in Exhibit A, a mutually beneficial set of Covenants, Conditions Restrictions and Easements under a general plan of improvement for the benefit of all Owners of property in Timberlake Estates and to provide a flexible and reasonable procedure for the development and use of the Property, without changing or revoking, however, any previous express modifications which may have been made relating to specific lots only, and only to the extent that such modifications are specific and limited modifications as to individual lots and have been recorded heretofore in the ROD, which modifications are hereby ratified and reaffirmed by TEOA;

ARTICLE I
IMPOSITION OF COVENANTS AND
STATEMENT OF PURPOSE

Section 1.01. Imposition of Covenants. TEOA hereby declares that the Property henceforth shall be held, transferred, sold, conveyed, leased, occupied and used subject to the following terms of this *2005 Comprehensive Amendment and Restatement of the Declarations of Covenants, Conditions, Restrictions and Easements for Timberlake Estates, Phases I II and III* (hereinafter referred to in its entirety as the “Covenants”) which is hereby made by Timberlake Estates Owners’ Association, Inc. (“TEOA”), a South Carolina nonprofit corporation, pursuant to and under the authority provided within §14.02 of the *Second Amendment and Restatement of the Declaration of Covenants, Conditions, Restrictions and Easements for Timberlake Estates, Phase I and First Amendment and Restatement of the Declaration of Covenants, Conditions, Restrictions and Easements for Timberlake Estates, Phase II and Phase III*, dated February 13, 1998 and recorded on April 2, 1998, in Record Book 4595, at Page 60, in the Office of the ROD for Lexington County. The Covenants and all provisions hereof shall run with the land and shall be forever binding upon all parties having any right, title or interest in the Property or any portion thereof, and upon their assigns, heirs, successors, and successors in title, and shall inure to the benefit of each owner thereof, unless modified, waived or amended under the express procedures set forth herein for such purposes.

Section 1.02. Statement of Purpose. These Covenants are imposed for the benefit of all owners of the parcels of land located within the Property. These Covenants create specific rights and privileges that may be shared and enjoyed by all owners and occupants of any part of the Property.

ARTICLE II
DEFINITIONS

The following terms, as used in these Covenants, are defined as follows:

Section 2.01. "Absentee Ballot" shall mean and refer to the form approved by the Board and presented to every Lot Owner as set forth in accordance with these Covenants. Absentee Ballots shall only be accepted by the Secretary of the Association from the Member submitting the ballot. At no time

may an Absentee Ballot give to one Member the right to vote for any other Member.

Section 2.02. "Architectural Guidelines" shall mean and refer to the guidelines and rules established and supplemented from time to time by the Architectural Review Committee and approved by the Board, and, if required, by the Members.

Section 2.03. "Architectural Review Committee" or "ARC" shall mean and refer to the committee formed pursuant to Article VI to maintain the quality and architectural harmony of improvements in Timberlake Estates.

Section 2.04. "Articles" shall mean and refer to the Articles of Incorporation of the Association that have been filed with the Secretary of State of South Carolina to create the Association.

Section 2.05. "Assessments" shall mean and refer to annual, special, and default Assessments levied pursuant to Article IV to meet the estimated cash requirements of the Association.

Section 2.06. "Association" shall mean and refer to the Timberlake Estates Owners Association, Inc., a non-profit corporation, or any successor of the Association by whatever name, charged with the duties and obligations set forth in these Covenants.

Section 2.07. "Building" shall mean and refer to any one or more structures constructed on a Lot.

Section 2.08. "Building Site" shall mean and refer to the area within a Lot where a Building or other improvements shall be located, which Building site shall be subject to the prior written approval of the ARC.

Section 2.09. "By-Laws" shall mean and refer to the By-Laws of the Association that establish the methods and procedures of its operation.

Section 2.10. "Common Areas" shall mean and refer those areas of the Property owned by the Association.

Section 2.11. "Covenants" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, and Easements for Timberlake Estates, as may be amended from time-to-time.

Section 2.12. "Declarant" shall mean and refer to the Association.

Section 2.13. "Developer" shall mean and refer to Red Creek Ranch, Inc. and/or its subsidiaries, successors and assigns.

Section 2.14. "Lot" shall mean and refer to a parcel of land designated as a Lot on any Plat of Timberlake Estates.

Section 2.15. "Lot Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of title to any Lot, but shall not mean or refer to any person or entity who holds such interest

merely as security. In the event a person holds a life estate of record, that person shall be considered an Owner for the purposes of this definition.

Section 2.16. "Maintenance Fund" shall mean and refer to the fund created by Assessments and fees levied pursuant to Article IV to provide the Association with the funds required to carry out its duties under these Covenants.

Section 2.17. "Manager" shall mean and refer to an individual who may be employed or render services pursuant to § 3.08.

Section 2.18. "Member" shall mean and refer to any person or entity holding Membership in the Association.

Section 2.19. "Membership" shall mean and refer to the rights and responsibilities of every Owner of any Lot in Timberlake Estates. Every Owner and his/her spouse shall be a Member of the Association and Membership may not be transferred except as shall be transferred along with the ownership of any Lot. The Board of Directors shall have authority to adopt by resolution additional definitions of Membership.

Section 2.20. "Plat" shall mean and refer to any plat (or as built survey) depicting the Property filed in the ROD Office for Lexington County, South Carolina, as such plat may be amended from time to time.

Section 2.21. "Property" shall mean and refer to Timberlake Estates Phase I, Phase II and Phase III, including all Common Areas, all as more fully described in Exhibit A.

Section 2.22. "Supplemental Covenants" shall mean and refer to additional or further restrictive covenants imposed on a portion or portions of the Property from time to time, which Supplemental Covenants shall be adopted in accordance with these Covenants and recorded in accordance with the laws of the State of South Carolina.

Section 2.23. "Timberlake Estates" shall mean and refer to the planned community created by these Covenants, consisting of the Property and all of the improvements located on the Property.

Section 2.24. "Timberlake Estates Documents" shall mean and refer to the basic documents creating and governing Timberlake Estates, including but not limited to, these Covenants, the Articles of Incorporation and By-Laws of the Association, the Architectural Guidelines and any procedures, rules, regulations or policies adopted under authority of such documents.

Section 2.25. "Timberlake Estates Rules" shall mean and refer to the rules adopted and published by the Association from time-to-time.

ARTICLE III
THE ASSOCIATION

Section 3.01. Voting Rights.

(a) The owner or owners of each Lot may exercise a total of one vote per Lot owned, whether cast in person or by absentee ballot, at a meeting of the Association. If ownership of any Lot is held by more than one person or entity, any one owner may cast the single vote, but no further vote may be cast by any other fractional or joint owners.

(b) Members shall be given reasonable notice (as defined below) and an opportunity to vote on each issue to be decided by a Membership vote, whether in person or by Absentee Ballot, except as to matters which are substantially procedural and raised for purposes of use at that meeting only, which issues may be voted upon for such limited purposes by those present and without advance notice.

(c) When counting the number of Members required for a quorum at any official meeting of the membership, Members present shall be counted only as they represent the number of potential votes in accordance with § 3.01(a).

Section 3.02. Board of Directors. The Board of Directors of the Association, also known as the Board, shall be comprised of its elected Officers, who shall each serve a dual role in the government of the Association.

Section 3.03. Officers.

(a) The Officers of the Association shall consist of a President, Senior Vice President, Vice President, Secretary and Treasurer.

(b) The Officers of the Association must be Members of the Association and shall be elected at the annual meeting of the Association. The term of each officer shall be for two (2) years, except the initial term of the President and Vice President will be for one (1) year to create an alternating Board. Officers shall be elected by a majority of votes cast. No member may serve in the same office more than two consecutive terms.

(c) The term of office for all Officers begins on January 1st of the year following the Annual Meeting at which they were elected.

(d) All Members of the Association in good standing are eligible to serve as Officers on the Board of Directors, provided however, two Members whose memberships derive from fractional or joint ownership or marriage may not serve on the Board at the same time.

Section 3.04. Annual and Special Meetings.

Section 3.04.1. Annual Meeting of Members. The Annual Meeting of Members of the Association shall be held on a date and at a time and place set by the Board of Directors. Notice of the time and place of the Annual Meeting shall be mailed to each Member not less than ten (10) nor more than fifty (50) days before the date of the meeting. Details and questions concerning proper notice of meetings shall be determined in accordance with and by reference to the By-Laws.

Section 3.04.2. Special Meetings. The President may call Special Meetings of the Association. In addition, the President shall call a Special Meeting of the Association when directed by majority vote of the Board of Directors, or when requested by a petition signed by at least ten percent (10 %) of the Lot Owners of the Association. Notice of the time and place of Special Meetings shall be mailed to each Member not less than ten (10) nor more than fifty (50) days before the date of the meeting. Details and questions concerning proper notice of meetings shall be determined in accordance with and by reference to the By-Laws.

Section 3.04.3. Quorum. The presence in person of more than ten percent (10%) of Lot Owners shall constitute a quorum at meetings of the Association.

Section 3.04.4. Order of Business. At meetings of the Association, the agenda shall be as follows:

- (a) Reading of minutes of immediate prior meeting for information and approval;
- (b) Reports of Officers;
- (c) Reports of Committees;
- (d) Unfinished Business;
- (e) New Business

Section 3.05. Meetings of Board. The Board may meet at any time and place set by the Board of Directors. A special meeting of the Board of Directors can be called by any three (3) officers or by petition to any Board member demanding that the Board meet, which petition must be signed by Members representing at least twenty-five (25) Lot Owners. Notice of the time and place of any non-emergency Board Meeting shall be delivered to Board members in person, email, phone, fax or mail not less than seven (7) days before the date of the meeting, and participation by telephone conference shall be allowed. Details and questions concerning proper notice of meetings shall be determined in accordance with and by reference to the By-Laws.

Section 3.06. Removal/Vacancies. Refer to By-Laws Section 5.05.

Section 3.07. Nominations. Refer to By-Laws Section 5.04.

Section 3.08. Manager. The Association, through the Board, may employ or contract for the services of a Manager, provided that no such employment shall be by a contract having a term of more than three (3) years, and each such contract shall be subject to cancellation by the Association upon ninety (90) days or less notice without cause and without payment of a termination fee. The Manager shall not have the authority to make expenditures for additions or improvements chargeable against the Maintenance Fund except upon specific prior approval and direction by the Board. Neither the Officers nor the Board shall be liable for any omission or improper performance by a Manager of any such duty, power or function delegated by written instrument executed by or on behalf of the Board.

Section 3.09. Ownership of Personal and Real Property for Common Use. The Association, through action of the Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, may accept any real or personal property, leasehold or other property interest within Timberlake Estates conveyed to

the Association.

Section 3.10. Roads and Streets. The Association shall own and be responsible for the maintenance of the private roads within Timberlake Estates. Private driveways located on the Property shall be maintained by the Owners of the Lots on which they are located. The Association shall cooperate with the applicable traffic and fire control officials to post public and private drives, roads and streets with traffic control, fire lanes and parking regulation signs. All roads not dedicated to the general public and that are not accepted as public roads by the County of Lexington shall be designated as "privately maintained roads" on a plat of survey recorded in the ROD Office for Lexington County. All roads designated and dedicated as privately maintained roads shall be maintained by the Association. The cost of maintaining these roads shall be included as part of the annual Assessment.

All plats or surveys describing or showing a privately maintained road shall bear the following notation:

“All roads on this plat of survey designated as a privately maintained road are not engineered or constructed in accordance with Lexington County standards. It will be the obligation of Timberlake Estates Owners Association, Inc., its successors and assigns (the "Association"), to maintain such road in accordance with the Declaration of Covenants, Conditions and Restrictions for Timberlake Estates recorded in the Office of the ROD for Lexington County, South Carolina. It is not the responsibility of Lexington County to maintain any road designated on this plat of survey as a privately maintained road. All roads not dedicated to the general public and that are not accepted as public roads by the County of Lexington shall be designated as privately maintained roads on any plat or survey recorded in the ROD Office for Lexington County. All roads designated and dedicated as privately maintained roads shall be a part of the Common Area of the Association and shall be maintained by the Association.”

All present and future owners of Lots contiguous to or accessed by any road designated as a privately maintained road and dedicated as common area under this provision shall cause the following statement to be placed in every deed conveying any such Lot. The following statement will be placed immediately below the Grantors signature and shall be signed by the Grantee and shall be binding on all parties thereto. Failure of the Grantor, Grantee or any subsequent heir, successor or assign to comply with this provision shall in no way diminish or impair the terms or requirements of this provision and the requirements, benefits and obligations imposed and granted hereunder:

“I (we), the undersigned, as a purchaser of the Lot described in this deed, acknowledge the existence of certain terms and provisions providing for the requirement for maintenance of all roads designated and dedicated as privately maintained roads as set forth in the Declaration of Covenants, Conditions and Restrictions for Timberlake Estates and on any and all survey plats recorded in the ROD Office for Lexington County, South Carolina, and do hereby confirm by acceptance of this deed all the terms and conditions thereof. I (we) understand that since the road contiguous to or accessing to above described Lot is a privately maintained road, and such road is not engineered or constructed according to Lexington County standards, and it is not the responsibility of Lexington County to maintain such road, I (we) further acknowledge that pursuant to the Declaration of Covenants, Conditions, and Restrictions for Timberlake Estates

such road has been designated and dedicated as a privately maintained road, and is a common area as defined in the Covenants and the Association is obligated to maintain such road in accordance with the provisions thereof.”

Section 3.11. Association Records. Upon written request to the Association by any Owner of a Lot or any Mortgagee, or guarantor of a first mortgage on any Lot, or the insurer of improvements on any Lot, the Association shall make available for inspection current copies of the Association's documents, books, records and financial statements. The Association shall also make available to prospective purchasers current copies of the Association's documents, including rules governing the use of Lots and the most recent annual financial statement, if such is prepared. "Available" as used herein shall mean available for inspection, upon prior written request and during normal and reasonable business hours.

Section 3.12. Successor to Developer. The Association shall succeed to all of the rights, duties and responsibilities of the Developer and Declarant under these Covenants. The Association may delegate any of such rights, duties or responsibilities to the ARC or to any other committee or entity that it may choose to form.

Section 3.13. Access for Maintenance, Repair and Emergencies. The Association and its appropriate contractors as selected by the Board or by its committees shall have the irrevocable right to have access to each Lot and the house or dwelling on each Lot, from time to time and during reasonable hours, as may be necessary, for the inspection, maintenance, repair or replacement of any structure on a Lot that shall have been determined to be a nuisance or a danger to structures on adjoining Lot(s). Such right of access shall be immediate for the making of emergency repairs thereon or therein in order to prevent property damage or personal injury. All damaged structures shall be timely restored to substantially the same condition in which they existed prior to the damage. All maintenance, repairs or replacements pertaining to any Lot or any structure thereon shall be the expense of the Owner thereof. The Association shall also have the right to remove trees, at the expense of the Owner, after sixty (60) days written notice has been provided to such Owner, when such trees shall have become a nuisance or that may be dead, damaged, unsightly or otherwise unsafe to residents, visitors or adjoining Lot Owners. These Covenants establish no duty upon the Association or the Board of Directors to maintain, repair or replace any structure on a Lot nor to remove any trees or other growth, and this § 3.13 vests no rights in Owners or any other person against the Board of Directors or the Association.

ARTICLE IV **COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 4.01. 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 expressed in any such deed, is deemed to covenant and agree to pay to the Association: (i) Annual Assessments or charges as provided in these Covenants for the purpose of funding the Maintenance Fund; (ii) Special Assessments for capital improvements and other purposes as stated in these Covenants; and (iii) Default Assessments which may be assessed against an Owner's Lot pursuant to the Timberlake Estates Documents for failure to perform an obligation under the Timberlake Estates Documents or because the Association has incurred an expense on behalf of the Owner under the Timberlake Estates Documents. The Annual, Special and Default Assessments, and any other assessments, reimbursements or fines chargeable against a lot by

the Association pursuant to the provisions Timberlake Estates Documents, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made until paid. Each such Assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the Owner of such Lot.

Section 4.02. Default Assessments. All monetary fines assessed against an Owner pursuant to the Timberlake Estates Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association or on behalf of the Owner pursuant to the Timberlake Estates Documents shall be a Default Assessment and shall become a lien against such owner's Lot which may be foreclosed or otherwise collected as provided in these Covenants. Notice of the amount and due date of such default Assessment shall be sent to the Owner subject to such Default Assessment at least thirty (30) days prior to the due date, provided that failure to give such thirty (30) days prior notice shall not constitute a waiver thereof, but shall only postpone the due date for payment thereof until the expiration of said thirty (30) day period.

Section 4.03. Effect of Nonpayment of Assessment; Lien; Remedies of Association. Any Assessment, whether pertaining to Annual, Special or Default Assessments, and any fine, fee or penalty assessed against an Owner or Member, including any assessed by the Architectural Review Committee, which is not paid within thirty (30) days of its due date shall be delinquent. In the event that an Assessment becomes delinquent, the Association, in its sole discretion, may take any or all of the following action:

- (a) Assess a late charge of at least fifteen (15%) percent of the amount past due and unpaid per delinquency;
- (b) Assess an interest charge from the date of delinquency at the rate per annum of two points above the lowest prime rate as listed in the Wall Street Journal, or such other lawful rate as shall have been established by the Board;
- (c) Suspend the voting rights of the Owner during any period of delinquency;
- (d) Accelerate any unpaid Annual Assessments for the Association's fiscal year such that they shall be due and payable at once;
- (e) Bring an action at law or equity against any Owner personally obligated to pay the delinquent installments; or
- (f) File a statement of lien with respect to the Lot, and any improvements thereupon and foreclose as set forth in more detail in the following paragraph:

The Association may file a statement of lien by recording with the ROD Office for Lexington County, South Carolina, a Notice of Lien or other written statement identifying the property, its owner, the amount of assessment constituting a lien, and other pertinent information, and may serve such Notice upon the Owner of the Lot by sending a copy of the Notice via certified mail to the address of the Owner on record with the Association, or, if no address is on file, then to the address listed upon the

owner's deed or such other address where it is reasonable to believe Owner may be located. Mailing of such notice or public filing of such notice in conformity with this paragraph shall constitute notice to the Owner, irrespective of actual receipt or of the existence of a return receipt. Thirty (30) days after the mailing of Notice of Lien, the Association may proceed to foreclose the said lien in the same manner as provided for foreclosure of mortgages under the statutes of the State of South Carolina. Such lien shall be in favor of the Association and shall be for the benefit of all other Owners. In either a personal or foreclosure action to collect past due sums, the Association shall be entitled to recover the interest, costs and reasonable attorney fees with respect to the filing of the lien and prosecution of the action. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area, abandonment of his Lot or his attempt to resign from the Association. The remedies herein provided shall not be exclusive and the Association may enforce any other remedies to collect delinquent Assessments or to compel the compliance of an Owner to the Timberlake Estates Documents as may be provided by law.

Section 4.04. Successor's Liability for Assessments. Each Owner shall be personally obligated to pay all Assessments assessed against all Lots owned by them during the time of his/her ownership, together with all interest, fees, and costs properly added thereto, pursuant to these Covenants. The payment by a subsequent Owner of any and all unpaid Assessments, interest, late charges, costs, expenses and attorneys' fees against such Lot for a time period prior to his acquisition of his ownership shall vest in subsequent Owner such right to recover from any prior owner any amounts paid by such successor. Current records of a lot's assessments shall be maintained by the Association's Treasurer, and shall be made available to the Lot's Owner and to a prospective purchaser currently under contract to buy such lot, upon reasonable notice and request. In addition, such successor or prospective purchaser shall be entitled to rely on the statement of the status of Assessments issued by or on behalf of the Association.

Section 4.05. Subordination of the Lien. The lien of the Assessments on a Lot provided for in these Covenants shall be subordinate to the lien of any First Mortgage on that Lot regardless of the time of filing of such first mortgage. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by laws of the State of South Carolina. No judicial sale or transfer shall relieve the purchaser or transferee of a Lot from liability for, nor the Lot from liability for, nor the Lot from the lien of, any Assessments made or accruing after the sale or transfer.

Section 4.06. Maximum Annual Assessments. Until January 1 of the year immediately following the formation of the Association, the maximum annual Assessment per Lot shall be as follows:

- (a) The maximum annual Assessment for each residential Lot shall be \$200.00 per year.
- (b) The maximum annual Assessment to be levied against Members may not be increased by more than five percent (5%) above the assessment for the previous year, except by a vote of two-thirds (2/3) of the votes cast by Members voting in person or by absentee ballot, at an Annual or Special Meeting.
- (c) The Board may fix the annual assessment at an amount not in excess of the maximum.

Section 4.07. Notice of Association Meeting. Written notice of any meeting required under § 4.06(b) shall be sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting.

ARTICLE V
PROPERTY RIGHTS OF OWNERS

Section 5.01. Utility Easements. There is hereby created and reserved a general twenty-foot (20 ft.) wide easement along all Lot boundary lines as delineated on the subdivision survey recorded in the Office of the ROD for Lexington County upon, across, over, in, and under the Property for ingress and egress and for installation, replacement, repair and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, cable television and master communication systems, and any other type of services approved in advance in writing by the Board. By virtue of this easement it shall be expressly permissible and proper for such providers to install and maintain necessary equipment on and under the Property; provided however, no facilities of any type may be temporarily or permanently installed or relocated on or above the surface of the Property unless approved in advance by the Architectural Review Committee. Should any utility company furnishing a service covered by this general easement request a specific easement by separate recordable documents, the Board may authorize the President to execute such specific easements within those general easements created, reserved and limited above. This general easement shall in no way affect, avoid, extinguish or modify any other recorded easement on the Property.

Section 5.02. Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or person to enter upon all streets and upon the Property in the proper performance of their duties, those activities, however, remaining subject to such other applicable laws and regulations which govern or affect these governmental activities.

Section 5.03. Maintenance Easement. An easement is hereby reserved to the Association upon, across, over, in and under the Lots, and a right to make such use of the Lots, as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Timberlake Estate Documents, including the right to enter upon any Lot or Building site for the purpose of performing maintenance to the landscaping or the exterior of improvements on such Lot or Building Site as required by the Timberlake Estate Documents.

Section 5.04. Drainage Easement. An easement is hereby reserved to the Association, to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels on the Property so as to improve the drainage of water. The Association shall use its best efforts to use this easement so as not to disturb the uses of the Owners, and the Association shall prosecute such drainage work promptly and expeditiously, and reasonably attempt to restore any areas affected by such work to a slightly and usable condition as soon as reasonably possible following such work. Any changes contemplated hereunder must have the prior approval of the Board.

Section 5.05. Partition or Combination of Lots. No part of a Lot may be partitioned or separated from any other part thereof, and no Lots may be combined, except as provided in this section. A Lot may not be subdivided. However, two (2) or more Lots may be combined into one by written agreement between the combining Owner(s) and the Board of Directors of the Association and provided the agreement is in full compliance with any applicable state and county zoning and subdivision regulations. The Owner or Owners concerned shall pay all of the expenses incident to giving the consent or combining the lots, including legal, surveying, recording and accounting fees, if any. Every agreement and instrument for combination of Lots shall make adequate provisions for the adjustment of voting rights and liability for payment of Assessments appurtenant to or imposed on such Lots. Liability for Assessments on Lots which have been combined shall be made in accordance with such procedures as may be adopted by resolution of the Board of Directors. Once combined, Lots may be separated only in accordance with such procedures as may be in accord with a resolution adopted by the Board of Directors.

ARTICLE VI **ARCHITECTURAL REVIEW COMMITTEE**

Section 6.01. Membership. There is hereby established an Architectural Review Committee (“ARC”) which shall be responsible for the establishment and administration of Architectural Guidelines to carry out the purposes and intent of these Covenants. The ARC shall be composed of not less than five (5) members, all of whom shall be Members in good standing with the Association. The members of the ARC shall be appointed by a majority vote of the Board of Directors for a two-year term. Any member of the ARC, including the Chairperson, may be removed at any time, with or without cause, by a majority vote of the Board of Directors. Members of the ARC shall be appointed so as to stagger the terms. The ARC is the only standing committee of the Board that has perpetual existence. The Chairperson of the ARC shall serve as a liaison to the Board of Directors.

Section 6.02. Purpose. The ARC shall review, study and either approve (with or without conditions) or reject proposed improvements on the Property, all in compliance with these Covenants, the Bylaws and the Architectural Guidelines. It is intended that the ARC shall attempt to ensure that all improvements conform and harmonize with existing structures as to external design, quality and type of construction, materials, color, location of the Building Site, height, grade and finished ground elevation, and all aesthetic considerations set forth in these Covenants or in the Architectural Guidelines.

Section 6.03. Organization and Operation of the ARC.

(a) The ARC shall elect a Chairperson, Vice Chairperson and a Secretary. (b) The Chairperson shall preside over and conduct all meetings and shall provide for reasonable notice to each Member of the ARC prior to any meeting. The notice shall set forth the time and place of the meeting and notice may be waived by any ARC member. The Vice Chairperson shall serve as Chairperson in the event the Chairperson is absent.

(c) The affirmative vote of a majority of the members of the ARC shall govern its actions and be the act of the ARC. A quorum shall consist of a majority of the ARC Members.

(d) The ARC may use such technical and professional advice and consultants as it deems appropriate, subject to Board approval.

(e) The Association shall pay all expenses of the ARC. The Board may establish and adjust a schedule of mandatory fees for applications submitted to the ARC and such fees shall be collected in accordance with these Covenants and the Bylaws of the Association, including those provisions that provide for sums owed to become a lien upon the real property. Collected fees shall be forwarded to the Treasurer for deposit in the general operating funds of the Association.

Section 6.04. Architectural Guidelines. The ARC shall propose to the Board, for approval or rejection, Architectural Guidelines. The Architectural Guidelines shall not be inconsistent with these Covenants and, if approved by the Board, shall become a Timberlake Estates Document. The Architectural Guidelines shall define and describe the design standards for Timberlake Estates and the various uses within Timberlake Estates. Further, the ARC may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements, provided however, all such exceptions or excused compliance must be approved by the Board.

Compliance with the Timberlake Estates design review process is not a substitute for compliance with the Lexington County building, zoning and subdivision regulations or other such laws, rules and regulations that may be applicable, nor is the ARC responsible for detecting violations of these laws. Each Owner is responsible for obtaining all approvals, licenses and permits as may be required prior to commencing construction.

Prior to approving or rejecting suggested changes to the Architectural Guidelines, the Board shall distribute the proposed changes to the Membership for comment. If within thirty (30) days of mailing notice of a proposed change to the Architectural Guidelines, fifteen percent 15% or more of the Lot Owners request a Special Meeting in writing, a meeting will be called by the Board for open discussion. The proposed change shall be voted upon at the meeting by Members, either in person or by Absentee Ballot, and the change shall become effective only upon approval of a majority of voting Members before the change may be implemented. Voting at such Special Meetings shall be conducted in accordance with § 3.01.

Section 6.05. Procedures. In addition to the Architectural Guidelines, the ARC shall make and publish such other procedures, as it may deem appropriate, to govern its proceedings. Appeals from decisions of the ARC shall be conducted as provided in the By-Laws.

Section 6.06. Limitation of Liability. The ARC shall use reasonable judgment in approving, modifying or disapproving plans and specifications submitted to it. Neither the ARC nor any individual ARC member shall be liable to any person for any act of the ARC in connection with plans and specifications submitted to it except to the extent a court of competent jurisdiction makes an express finding that the ARC, or any individual ARC member, acted with malice or wrongful intent which proximately caused damage or injury to a party making such submission . Approval by the ARC does

not assure approval by appropriate governmental boards, commissions, rules, regulations or ordinances of Lexington County, South Carolina. Notwithstanding that the ARC has approved plans and specifications, neither the ARC nor any of its members shall be responsible or liable to any Owner, developer, or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the improvements. Neither the Board of Directors, the ARC nor any agent thereof shall be responsible to any Member, Owner or third party in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Timberlake Estates Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events, the ARC shall be defended and indemnified by the Association in any proceeding.

Section 6.07. Penalties for Violations or Non-compliance. The ARC may assess fines against an Owner for each event of non-compliance or violation of its rules, regulations, policies and procedures, and collection of such fines shall be in accordance with these Covenants and the By-Laws of the Association including those that provide for such sums owed to become a lien upon the real property. Fines shall be specified in the Architectural Guidelines.

Section 6.08. Certificate of Compliance. Upon payment of a reasonable fee established from time to time by the Board of Directors, and upon written request of any Owner or his agent, an existing or prospective Mortgagee or a prospective grantee, the ARC shall issue a certificate, in recordable form, setting forth generally, to the best of the ARC's knowledge, whether the Owner is in violation of any of the terms and conditions of the Timberlake Estates Documents. Unless such request shall be provided thirty (30) days after receipt of the request, it shall be conclusively presumed that the Owner and the improvements are in compliance with the Timberlake Estates Documents. The ARC shall report in writing significant violations and delinquencies to the Board of Directors, in a reasonably timely manner.

ARTICLE VII **CONSTRUCTION AND ALTERATION OF IMPROVEMENTS**

Section 7.01. General. The Architectural Guidelines and these Covenants govern the right of an Owner, developer, or other entity to construct, reconstruct, refinish, alter or maintain any improvement upon, under or above any of the Property and to make or create any excavation or fill on the Property, or make any change in the natural or existing surface contour or drainage, or install any utility line or conduit on or over the Property.

Section 7.02. Approval Required. Any construction, reconstruction, refinishing or alteration on any part of the exterior of any building or other exterior improvement on the Property is prohibited until and unless the Owner or developer first obtains approval from the ARC and otherwise complies with the provisions of the Timberlake Estates Documents. All improvements shall be constructed only in accordance with approved plans.

Section 7.03. Removal of Nonconforming Improvements. If after reasonable notice, the Owner continues to violate the Timberlake Estates Documents, the Association may remove any improvement constructed, reconstructed, refinished, altered or maintained in violation of these Covenants, and the

Owner of the improvement shall immediately reimburse the Association for all expenses incurred in connection with such removal.

Section 7.04. Construction Methods. Specific rules regarding construction methods, including but not limited to excavation and filling, silt and erosion prevention, drainage, utility lines, loading areas, waste storage, trash removal, vehicle weight limitations and/or road repair provisions, materials storage and transformers and meters and other safety, maintenance and aesthetic procedures may be set forth in the Architectural Guidelines, and all Owners shall comply with those rules.

ARTICLE VIII
GENERAL COVENANTS AND RESTRICTIONS

Section 8.01. Residential Use Only. The Lots shall be used for residential purposes only and no commercial use is permitted. This restriction shall not be construed to prevent rental of any dwelling for private residential purposes or to prevent an individual Lot owner from conducting home occupations in the dwelling, which occupation is subordinate to the primary residential use and occupies not greater than twenty (20%) percent of the dwelling's floor area or employs no more than two (2) persons.

Section 8.02. Parking and Garages. All vehicles will be parked only in garages or in driveways serving Lots or appropriate spaces or designated areas in which parking may or may not be allowed and then subject to such reasonable rules and regulations as the Board may adopt. All commercial vehicles, tractors, mobile homes, trailers (either with or without wheels), campers, camper trailers, boats and other water craft, boat trailers and any unregistered vehicle must be parked entirely within a garage unless otherwise permitted by the Board. No garage may be altered in such a manner that the number of automobiles that may reasonably be parked therein after the alteration is less than the number of automobiles that could have reasonably been parked in the garage as originally constructed.

Section 8.03. Vehicle Maintenance and Repair. No maintenance or repairs shall be performed on any vehicles upon any portion of the Property, unless performed in a garage, except in an emergency. Notwithstanding the foregoing, all repairs to disabled vehicles within the Property and which is not in a garage must be completed within forty-eight (48) hours or the vehicle must be removed.

Section 8.04. Signs. No advertising sign or other advertising device of any nature shall be placed upon any part of the Property except as permitted by these Covenants. The ARC may, in its discretion, adopt and promulgate rules and regulations relating to signs displayed during construction on a Lot. The Board of Directors may, in its discretion, adopt and promulgate rules and regulations relating to all other signs of whatever nature placed on a Lot. Notwithstanding the foregoing, Owners may place a small box containing a notice and description of the Property for sale provided that such notices shall be no greater than eight and one-half by eleven inches in size.

Section 8.05. Maintenance of Hedges and Plants. Each Owner shall be responsible for and shall maintain all landscaping, grass, driveways, parking areas, structures and grounds located on each Lot in good condition and repair and in a neat and attractive manner.

Section 8.06. Builders List. All residential construction on any Lot located within the Property of Timberlake Estates shall be performed by a builder from a list maintained by the ARC. The ARC may, from time to time, establish criteria for inclusion or exclusion from the list of builders.

Section 8.07. Occupants Bound. All provisions of these Covenants and of any rules and regulations or use restrictions promulgated pursuant hereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of any Lot, including Owners' families, guests and tenants.

Section 8.08. Minimum Square Footage. No dwelling shall be erected on any Lot having less than 2,000 square feet heated floor space, with a minimum footprint of 1,400 square feet of heated space, excluding garages and porches.

Section 8.09. Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of dogs, cats or other usual and common household pets, but not more than a total of two (2). Owners who permit pets to roam free or endanger the health, make objectionable noise or constitute a nuisance or inconvenience to the Owners of other Lots or to the Owner of any property located adjacent to the Property will be subject to fines. No pets shall be kept, bred or maintained for any commercial purpose in residential Lots. Dogs which are household pets shall, at all times whenever they are outside an Owner's Lot, be confined on a leash held by a responsible person. Owners shall be responsible for cleaning up after pets.

Section 8.10. Condition on Lots. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on his or her Lot. No Lot shall be used, in whole or in part, for the storage of any property or item that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any Lot that will emit foul or obnoxious odors or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No obnoxious or offensive activity shall be carried out upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any property adjacent to the Lot. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Property.

Section 8.11. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including but not limited to, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Property, unless such activity is performed in the garage or other enclosed portion of the dwelling.

Section 8.12. Antennas. No exterior television or radio antennas or satellite dishes of any kind shall be placed, allowed or maintained upon any portion of the Property without approval of the ARC.

Section 8.13 Garbage Cans/Tanks/Clotheslines. All garbage cans, above-ground tanks and other similar items shall be located or screened so as to be concealed from the view of neighboring Lots,

streets and property located adjacent to the Lot. All rubbish, trash and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate thereon. No clothesline or outdoor laundering equipment shall be allowed to be placed or to remain on any Lot.

Section 8.14. Guns. The use of firearms within the Property is prohibited. The term "firearms" includes "BB" guns, pellet guns, archery equipment and other arms of all types, regardless of size.

Section 8.15. Pools. No aboveground pools shall be erected, constructed or installed on any Lot.

Section 8.16. Irrigation. No sprinkler or irrigation system of any type which draws water from creeks, streams, rivers, lakes, ponds, canals or other waterways within the Property shall be installed, constructed or operated within the Property, unless approved by the ARC and, if applicable, South Carolina Electric & Gas Company.

Section 8.17. Lawn Maintenance Equipment. Lawn maintenance equipment, when not in use, will be stored in such a manner that it is not visible from neighboring Lots, streets and property that is adjacent to the Lot.

Section 8.18. Tents, Trailers and Temporary Structures. Owners or occupants shall not place upon a Lot or any part of the Property any tent or trailer or any structure whatsoever, such as a tent, shack or utility shed.

Section 8.19. Drainage. No Owner shall do or permit any work, construct any improvements, place any landscaping or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern of the Property, except to the extent such alteration and drainage pattern is approved in writing by the ARC.

Section 8.20. Construction Regulations of the Architectural Guidelines. All Owners and representatives, agents, and licensees of the Owner shall comply with the construction regulations of the Architectural Guidelines.

Section 8.21. House Numbers and Mail Boxes. Each dwelling shall have a house number, mailbox and paper box conforming to design and location established or approved in advance of installation by the ARC.

Section 8.22. Continuity of Construction. All improvements commenced on the Property shall be prosecuted diligently to completion and shall be completed within twelve (12) months of commencement, unless the ARC grants an exception in writing. If an improvement is commenced and construction is then abandoned for more than ninety (90) days, or if construction is not completed within the required 12-month period, fines may be imposed in accordance with the Architectural Guidelines and enforced as provided for assessments and fines specified herein. Landscaping must be completed in accordance with the Architectural Guidelines.

Section 8.23. Leasing. The Owner of a Lot shall have the right to lease a residential structure, subject to the following conditions:

- (a) All leases shall be in writing and for a term not less than ninety (90) days.
- (b) The lease shall be specifically subject to the Timberlake Estates Documents, and any failure of a tenant to comply with the Timberlake Estates Documents shall be a default under the lease.
- (c) The Owner shall be liable for any violation of the Timberlake Estates Documents committed by the Owner's tenant, without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant.
- (d) If requested, the Owner or Tenant may be required by the Board to provide a copy of the operative lease.

Section 8.24. Setback lines. No building shall be located closer than twenty (20) feet to any road right-of-way; nor located any closer than ten (10) feet to any interior lot line; nor located closer than ten (10) feet to any rear lot line on interior or golf course lots; nor located closer than ten (10) feet from the 360 foot contour line on lake front lots. The ARC must approve the location of all residences before the foundation is constructed, and only the Board of Directors for good cause may amend or modify setbacks.

Section 8.25. Well Limitation; Water Supply. No individual water system or well of any type shall be maintained, drilled or permitted on any Lot. The central water supply system operated by the Town of Chapin, its successors or assigns, shall be used as the sole source of water for all purposes on each Lot, including but not limited to, water for all water spigots and outlets located within and without all buildings, air-conditioning and heating, and irrigation purposes (except as allowed under § 8.16), and swimming pools or other exterior uses. Each owner, at his/her expense, shall connect the water lines to the water distribution main provided to serve the Owner's Lot.

Section 8.26. Sewage Disposal. Each Owner of a Lot, at his/her expense, shall connect the sewage disposal line to the sewage collection line provided to serve that Lot so as to comply with the requirements of such sewage collection and disposal service of the Town of Chapin, its successors and assigns. No private sewage disposal unit shall be installed or maintained on the land covered by these Covenants. All lots not connected to the Town of Chapin system will be assessed a monthly sewer availability fee in such amount as set by the Town of Chapin.

Lots in Timberlake Estates are provided municipal sewer service by the Town of Chapin, the regional sewer service provider pursuant to Lexington County Ordinance. No individual septic tanks or drain fields shall be constructed or used on any Lot, unless expressly authorized by law. The Town of Chapin, its agents, successors, and assigns, shall have right of access to all portions of the Municipal Sewer System located within the Property, in accordance with easements as reserved by the Developer and as shown on the recorded plat. Each Lot shall be assigned a Regional Sewer Tap Certificate by the Town of Chapin. The Owner of each lot is subject to all sewer charges assessed upon the Property by Ordinance and by contract between the Developer and the Town of Chapin, including uniform "Sewer Availability Fees" assessed upon each unimproved platted Lot, and "Water and Sewer User Fees" assessed upon issuance of a Certificate of Occupancy. Such charges shall constitute a lien upon the property assessed, and such lien shall be superior to all other liens except liens for unpaid property

taxes, as authorized by statute

Section 8.27. No Overhead Wires. All telephone, electric and other utility lines and connections between the main utility lines and the residence or other buildings located on each Lot shall be concealed and located under ground, unless necessary to maintain existing electrical service by SCE&G. Each Lot Owner requiring an original or additional electric service shall be responsible to complete at his/her expense the secondary electric service, conduits, wires, conductors and other electric facilities from the transformer to the Owner's structure, all of which shall be underground.

ARTICLE IX **WATERFRONT AREAS AND WATERWAYS**

Section 9.01. Restrictions on Lakes and Lakefront Areas. Any Lot that shall abut upon a lake, stream, pond, wetland or other waterway shall be subject to the following additional restrictions:

(a). No pier, dock or other structure or obstruction or any wall, revetment, rip-rap or any other material shall be built, placed or maintained upon any waterfront Lot or into or upon any waterway on the Property or adjacent thereto except with the approval of the ARC. As to any such structure, approval by the ARC shall be required prior to submission for approvals or permits from South Carolina Electric & Gas Company or any other private or governmental agency whose approval may be now or hereafter required.

(b). Except with the prior written approval of the ARC, no device or material may be constructed, placed or installed upon any Lot which shall in any way impede the flow of or alter the course or natural boundaries of any water way, or which shall involve or result in the removal of water from any waterway.

ARTICLE X **MAINTENANCE**

Section 10.01. Association's Responsibility. The Association shall maintain and keep in reasonably good repair those areas designated as privately maintained roads, road signs and the entrance area into Timberlake Estates. This maintenance shall include, but is not limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures and improvements situated in roadway and entrance areas.

Section 10.02. Owner's Responsibility. All maintenance of the Lots and all structures, landscaping, parking areas and other improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain the Lot in accordance with the community-wide standards of Timberlake Estates. The Association may, in the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the level and quality of maintenance provided by such Owner does not satisfy such standard. Before assuming the maintenance responsibilities, the Board shall notify the Owner in writing of its intention to do so, and if such Owner has not commenced and diligently pursued remedial action within thirty (30) days after mailing of such written notice, then the Association may proceed. The expense of such maintenance by the Association shall be reimbursed to the Association by the Owner, together with interest at five (5%) percent per annum above the prime

rate used or published by the Association's bank, or such other rate set by the Board, from the date of expenditure.

ARTICLE XI
DAMAGE OR DESTRUCTION

Section 11.01. Damage or Destruction Affecting Lots. In the event of damage or destruction to the improvements located on any Lot, the Owner thereof shall promptly repair and restore the damaged improvements to an undamaged condition. If such repair or restoration is not commenced within one hundred eighty (180) days from the date of such damage or destruction, or if repair and reconstruction is commenced but then abandoned for a period of more than ninety (90) days, then the Association may impose fines in accordance with the By-Laws.

ARTICLE XII
ENFORCEMENT OF COVENANTS

Section 12.01. Violations Deemed a Nuisance. Every violation of these Covenants or of the Timberlake Estates Documents that has been finally settled in accordance with the dispute resolution procedure in the By-Laws (or if such dispute is not subject to the dispute resolution procedure) is deemed to be a nuisance and is subject to the remedies provided in these Covenants for the abatement or removal of the violation.

Section 12.02. Compliance. The Association and each Owner, Owner's contractors and subcontractors and every other occupant of any part of the Property shall comply with the provisions of the Timberlake Estates Documents, including the dispute resolution procedures in the By-Laws.

Section 12.03. Who May Enforce. Any action to enforce the Timberlake Estates Documents may be brought by the Board of Directors in the name of the Association on behalf of the Owners. An Owner who believes the Board of Directors is not enforcing the Timberlake Estates Documents may bring the matter to the Board. If, within a reasonable time after meeting with Board of Directors, no action is taken to enforce the Timberlake Estates Documents by the Board or by TEOA, such Owner, at his/her expense, may bring an action on behalf of all Owners to enforce the Timberlake Estates Documents.

Section 12.04. Non-Exclusive Remedies. Except as provided in the dispute resolution procedure in the By-Laws, the remedies set forth herein are cumulative and not exclusive. If, after the dispute resolution procedure is finally settled and the Owner continues in violation of these Covenants or the Timberlake Estates Documents, the Association shall be entitled to take such action as it deems appropriate.

Section 12.05. No Waiver. The failure of the Board of Directors, the Manager, the ARC or any Owner to enforce the Timberlake Estates Documents shall not be deemed a waiver of the right to do so for any subsequent violation or of the right to enforce any other part of the Timberlake Estates Documents at any future time. No failure to enforce the Documents against other alleged violators shall operate as a waiver of or defense against the strict enforcement of the Documents against any other violator.

Section 12.06. No Liability. No Member of the Board of Directors, the Manager, the ARC, or any Owner shall be liable to any other Owner for the failure to enforce any Timberlake Estates Documents.

Section 12.07. Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the dispute resolution procedure, the Timberlake Estates Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Timberlake Estates Documents or the restraint of violations of the Timberlake Estates Documents, the prevailing party shall be entitled to recover from the non-prevailing party the costs incurred in such action, including reasonable attorney fees, except that in no event shall the Association be held directly or secondarily liable to a party for fees and costs in an action in which the Association is not a voluntary party.

ARTICLE XIII **RESOLUTION OF DISPUTES**

Section 13.01. Disputes. All disputes, claims and controversies shall be settled in accordance with Articles IX and X of the By-Laws, provided, however, that neither this § 13.01, nor the provisions of Article IX and X of the By-Laws shall apply to:

- (a) Actions brought by the Association to enforce the imposition and collection of Assessments as provided in Article IV hereof;
- (b) Proceedings involving challenges to ad valorem taxation;
- (c) Counterclaims or cross-claims brought by the Association in proceedings instituted against it; or,
- (d) Actions to enforce a continuing violation after a dispute has been finally settled in accordance with the dispute resolution procedure in the By-Laws.

ARTICLE XIV **DURATION OF THESE COVENANTS AND AMENDMENT**

Section 14.01. Term. These Covenants shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to these Covenants, their respective legal representatives, heirs, successors and assigns for a term of twenty (20) years from the date these Covenants are recorded, after which time they shall be automatically extended

for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change the Covenants, Conditions, and Restrictions, in whole or in part, or to terminate the same.

Section 14.02. Amendment. The Articles of Incorporation, these Covenants and the By-Laws may only be amended by a vote of not less than two-thirds of the votes cast by the Lot Owners at a Special Meeting to consider such amendments.

Section 14.03. Effective Upon Recording. Any modification or amendment of these Covenants shall be immediately effective upon recording in the ROD Office for Lexington County, South Carolina, a copy of such amendment or modification, executed and acknowledged by the Board of Directors, together with a duly authenticated Certificate of the Secretary stating that the required number of Owners have approved the amendment in accordance with these Covenants and the required number of consent of Members are on file in the office of the Association. Recordation of modifications of setbacks issued pursuant to §8.24 are excepted from the above requirements as to Members' consents.

ARTICLE XV **PRINCIPLES OF INTERPRETATION**

Section 15.01. Severability. These Covenants, to the extent possible, shall be construed or interpreted so as to give validity to all of the provisions. Any provision of these Covenants found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

Section 15.02. Construction. In interpreting words in these Covenants, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

Section 15.03. Headings. The headings are included for purposes of convenient reference, and they shall not affect the meaning or interpretation of these Covenants.

Section 15.04. Registration of Mailing Address. Each Lot Owner shall register his mailing address with the Secretary of the Association. Unless specifically allowed to be otherwise transmitted under specific provisions of the Timberlake Estates Documents, any notices or demands intended to be served upon or given to a Lot Owner shall be personally delivered or sent by mail, postage prepaid, addressed in the name of the Lot Owner at such registered mailing address.

Section 15.05. Notice. Unless specifically allowed to be otherwise transmitted under specific provisions of the Timberlake Estates Documents, any notices or requests shall be in writing, and shall be considered delivered and effective upon personal delivery or three (3) days after posting, when sent by certified mail, return receipt requested, to the address of such Member on file in the records of the Association at the time of such mailing. Unless specifically allowed to be otherwise transmitted under specific provisions of the Timberlake Estates Documents, any notice to the Board, the Association, the ARC or the Manager shall be considered delivered and effective upon personal delivery or three (3)

days after posting, when sent by certified mail, return receipt requested, to the Association, the Board, the ARC or the Manager at such address as shall be established by the Association from time to time by notice to the Members. General notices to all Members or any classification thereof need not be certified, but may be sent by regular first class mail.

Section 15.06. Waiver. No waiver by the Association shall be effective unless it is in writing and approved by a majority of the Board of Directors or approved by such other person or body specifically vested with authority to make such waiver by the Timberlake Estates Documents, and only in the manner set forth within such provisions.

Section 15.07. Limitation of Liability and Indemnification. The Association shall indemnify the Board of Directors, Officers, committee members, and their respective successors, personal representatives and heirs against all loss, costs and expenses, including counsel fees, reasonably incurred by such person in connection with any action, suit or proceeding to which such person may be made a party by reason of such person's being or having been a Director, Officer, or committee member, except as to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of such person's duties as a Director, Officer or committee member.

Section 15.08. Conflicts Between Documents. In case of irreconcilable conflict between these Covenants and the By-Laws, these Covenants shall control. In case of conflict between these Covenants and the Architectural Guidelines, these Covenants shall control.

Section 15.09 Declarant's Intent. The provisions of these Covenants, as amended from time to time, are intended to act as the land use controls applicable to the Property, and in the event of a conflict or difference between the provisions hereof and of the Lexington County Zoning Ordinance, the terms of this Declaration, as amended and as may from time-to-time be amended, shall control and supersede such Zoning Ordinance to the extent these Covenants impose greater control, or are more restrictive, than such Zoning Ordinance. Each Owner, automatically upon the purchase, or upon the occupancy of any portion of the Property, is deemed to waive all protections afforded to him, now or in the future, under the Lexington County Zoning Ordinance to the extent such Zoning Ordinance imposes less control, or is less restrictive, than (i) the provisions of this Declaration, as amended, and (ii) the provisions of any other Timberlake Estates Documents, including but not limited to, the Architectural Guidelines established by the Architectural Review Committee.

WHEREFORE, the Board of Directors have set their hand and the seal of the Timberlake Estates

Owners Association on these Covenants on the ____ day of _____, 2005.

President

Senior Vice President

Vice President

Secretary

Treasurer

ACKNOWLEDGMENT

Each of the foregoing persons, being duly sworn, personally appeared before me and subscribed their names in my presence and in the presence of each other declared their signature to be their free act and deed and by their signature they deliver the within Declaration of Covenants.

Notary Public for South Carolina

My Commission Expires: _____

CERTIFICATION

I, _____, the duly elected Secretary of Timberlake Estates Owners Association (TEOA), do hereby certify that the foregoing 2005 Comprehensive Amendment and Restatement of the Declaration of Covenants, Conditions, Restrictions and Easements for Timberlake Estates Phases I, II and III were approved by the required number of votes of Members of TEOA and the records of such votes are on file in the office of TEOA.

Secretary