

STONEFIELD COMMUNITY ASSOCIATION, INC

Introduction

By- laws

Community Declaration of Covenants,
Restrictions, Easements,
Charges and Liens

Phase I, Single Family Section,
Covenants, Conditions, Restrictions
and Easements

Phase I, Patio Section A,
Covenants, Conditions, Restrictions and Easements

STONEFIELD

Stonefield is a planned community consisting of varied types of residential housing, commercial development, parks, recreation amenities and leisure trails. Stonefield Plantation will initially consist of ninety-seven residential units which will be developed as subdivisions of patio homes and single family residences. Although Stonefield, a Partnership, is not committed nor does it warrant that Stonefield will ever be larger than the ninety-seven residential units, it presently envisions the completed project as consisting of 1,100 residential dwellings, housing 3,000 people, which would result in an expansion of membership in the association.

THE ASSOCIATION

Stonefield Association, Inc. was established by Stonefield, a partnership, and incorporated as a non-profit South Carolina corporation on May 6, 1981, to own and maintain the common areas and levy assessments for such purposes. The Association shall also provide for architectural control of the exterior of the homes, commercial establishments, lots and common areas and the Association will be responsible for enforcing restrictive covenants applicable to the subdivisions of Stonefield..

VOTING RIGHTS AND THE BOARD OF DIRECTORS

The affairs of the Association are managed by a Board of Directors consisting of five directors. The directors are elected by-vote of members of the corporation (property owners) except that the Developer has the right to elect a majority of the directors until such time as Stonefield has been seventy-five percent completed.

The By-Laws of the Association give the members rights to vote on election of directors, amendment of the Association and Subdivision Covenants, and increasing assessments above the maximum stated in the Association Covenants, in each instance according to the class of which they are a member. Owners of residential housing and commercial establishments have voting rights. Associate members do not have any voting rights. Each owner of a home or commercial establishment has one vote for each lot, home or parcel of property owned by him. However, the Association Covenants further provide that the Developer shall be entitled to cast at least a majority of the votes of the Association until Stonefield has been three-fourths completed.

ASSESSMENTS

The Association has the power to levy assessments against each residence and commercial unit in Stonefield. The funds generated by these assessments will be used to maintain the common areas and operate the Association.

The maximum Community Assessment is Two Hundred Fifty Dollars annually for each residence with a corresponding amount applicable to commercial establishments depending upon their size. The actual Community Assessment levied each year will be established by the Board of Directors based upon the budget requirements of the Association but such assessment may not exceed the commercial owners. The maximum Community Assessment will increase each year to compensate for inflation to ensure that the Association is perpetually capable of maintaining and operating the common areas and currently is set at One Hundred Eighty Dollars for the 1981 fiscal year. The assessments levied by the Association become a lien upon the property against which the

assessment is applicable. This means that if the assessment is not paid when due, the Association may bring a lawsuit to collect the amount due and the owner of the property will be personally liable for payment of the assessment and also, the property may be sold pursuant to Court order to pay any delinquent assessments. The amount of assessments, or the method of collecting assessments cannot be changed except by vote of the membership of the Association which is comprised of all homeowners and commercial owners within Stonefield.

Additional assessments are authorized when an owner elects to join and use certain amenities, but such membership is entirely voluntary at the election of the homeowner.

ARCHITECTURAL CONTROL

Exterior changes of any residence or commercial unit must be approved by the Architectural Review Board (the "ARB") of the Association. The ARB will publish detailed architectural guidelines which will set forth the procedures and requirements necessary to obtain approval to construct or modify any residence, lot or commercial unit located within Stonefield.

COMMON AREAS

There are basically three different types of common areas within Stonefield. Each type of common area is as established in the deed conveying it to the Association.

The leisure trails, streets, medians, and entrance monuments and certain designated tennis courts are Community Common Areas which every resident and owner of property within Stonefield has a right to use. The costs of maintaining these properties are included as part of the Community Assessment which every owner is required to pay.

Other amenities such as the proposed boat landing and swimming pools, are restricted to the use of owners and residents who voluntarily join and pay membership fees and user charges and who abide by the rules of the Association pertaining to such use. Certain of these amenities may be further restricted to membership of owners or residents of one or more specified subdivisions within Stonefield. The designation of which amenities are open to membership by residents of a specified subdivision, as well as the rules, regulations and fees applicable to such membership, will be as set forth in the books of the Association.

This page intentionally left Blank

BY-LAWS

OF

STONEFIELD COMMUNITY ASSOCIATION, INC.

STONEFIELD, A PARTNERSHIP

c/o The South Atlantic Life Insurance Company

1156 King Street, Charleston, SC 29403

BY-LAWS
OF
STONEFIELD COMMUNITY ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Stonefield Community Association, Inc., referred to as the "Association." The principal office of the corporation shall be located at the office of the South Atlantic Life Insurance Company, 1156 King Street, Charleston, S.C. 29403, but meetings of the Members and Directors may be held at such places within the State of South Carolina, County of Charleston, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

When the first letter of any term used in these By-Laws is capitalized, such term shall refer to and have the meaning as defined in the DECLARATION- OF COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR STONEFIELD COMMUNITY as recorded in the Office of Register of Mesne Conveyance of Charleston County, in Book N126, page 61 as may from time to time be amended, (herein "Declaration"), unless the context otherwise requires.

ARTICLE III

MEMBERSHIP

Section 1. Membership in the Association shall be as set forth in Article III of the Declaration.

Section 2. The rights of membership are subject to the payment of Assessments levied by the Association pursuant to Article IV of the Declaration.

Section 3. The membership rights, voting rights and rights of enjoyment of any person may, pursuant to Section 3.07 of the Declaration, be suspended by action of the Directors during the period when Assessments remain unpaid. Upon payment of such Assessments, his rights and privileges shall be automatically restored.

ARTICLE IV

VOTING RIGHTS

Voting rights in the Association shall be as set forth in Article III, Section 3.03 of the Declaration.

ARTICLE V

ASSOCIATION PURPOSES AND POWERS

The Association is organized for the purpose of providing a non-profit organization to serve as the representative of the Owners and Residents with respect to: the administration and the enforcement of all covenants, restrictions, easements and charges contained in the Declaration and all liens created thereby, and the creation, operation, management and maintenance of the Common Areas and the promotion otherwise of the health, safety and general welfare of the community of Stonefield; and consistent with the foregoing, the Association is authorized to exercise all powers consistent with the Declaration which a corporation organized under the Non-Prof it Corporation Laws of South Carolina, as from time to time amended, may be authorized to exercise.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Board of Directors: Selection; Terms of Office. The affairs of the corporation shall be managed by a Board of Directors. The Board of Directors shall consist of Five (5) Directors who shall hold office until the election of their successors. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persdtis receiving the largest number of votes shall be elected. Cumulative voting is* not permitted. Each Director shall serve for a term of one (1) year.

Section 2. Vacancies in the Board of Directors. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors and any such appointed Director to hold office until his successor is elected by the Members, at the next annual meeting of the Members or any special meeting duly called for that purpose.

Section 3. Meetings of Board of Directors. Regular-meetings of the. Board of Directors shall be held at such times, dates, and places as the Board . of Directors may determine from time to time. Any business which is appropriate for action of the Board of Directors may be transacted at a regular meeting.

Section 4. Special Meeting of Board of Directors. Special meetings of the Board of Directors may be called from time to time by the President of the Association and shall be called upon the written request of two of the Directors. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Directors waive notice of any additional business.

ARTICLE VII

INITIAL BOARD OF DIRECTORS

The initial Board of Directors shall consist of three (3) persons who shall be appointed by the Developer at the organizational meeting of the Association and shall serve until the initial meeting of

the Association.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) to call meetings and/or special meetings of the Members whenever it deems necessary;

(b) to appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever;

(c) to establish, levy and assess, and collect the Assessments or charges referred to in the Declaration;

(d) to adopt and publish rules and regulations governing use of the Common Areas, including regulations governing the personal conduct of the Members and their guests with respect to utilization of the Common Areas and facilities;;

(e) to exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the Members in the Charter of the Corporation, these By-Laws or the Declaration;

(f) in the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors without excuse, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant;

(g) to appoint Committees as deemed appropriate in carrying out its purpose.

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

(a) to cause to be kept a complete record of all its acts and corporate affairs;

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

(c) to levy Assessments against each Unit responsible for such Assessments;

(d) to send written notice of Assessments to every Owner of Assessable Property;

and,

(e) to perform such other duties and obligations as set forth in the Association Declaration.

ARTICLE IX

OFFICERS

Section 1. The Officers shall be a president, a vice president, a secretary and a treasurer. Any two or more offices may be held by the same person. The President and Vice President shall at all times be members of the Board of Directors.

Section 2. The Officers shall be chosen by a majority of the Directors.

Section 3. All Officers shall hold office during the pleasure of the Board of Directors.

Section 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments. All such documents shall also be signed by another Officer.

Section 5. The Vice President shall perform all the duties in the absence of the President.

Section 6. The Secretary shall be ex officio the Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep the record in a book kept for that purpose the names of all Members of the Association together with their addresses as registered by such Members.

Section 7. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or Vice President.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Association shall be held on a date determined by the Association. Any business which is appropriate for action of the Members may be transacted at an annual meeting.

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

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the members address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice

shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may in writing waive notice of any meeting either before or after the meeting. Attendance at a meeting by a Member whether in person or by proxy, shall be deemed a waiver by the Member of notice of the time, date, and place of the meeting unless the Member objects to lack of proper notice at the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted unless objection to lack of notice is raised before the business of which proper notice was not given is put to a vote.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. Any Member may by written proxy designate an agent to cast his vote. Unless a proxy states otherwise, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless it states otherwise. No proxy shall be honored until delivered to the Secretary of the Association.

Section 7. Consents. Any action which may be taken by a vote of the Members may also be taken by written consent to such action by a majority of Members entitled to vote on the matter.

ARTICLE XI

INITIAL MEETING

Section 1. The initial meeting of the Association shall be held upon call by the Developer as soon as the Developer deems practicable and convenient. The following matters, and such other business as the Directors may deem appropriate, shall be taken up at the initial meeting:

1. approval of a budget for the first fiscal year,
2. determination of the Annual Assessment and the date upon which it is due and payable,
3. determination of the date of the first and subsequent annual meetings, and
4. election of the Board of Directors in accordance with Article VI of these By-Laws.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the corporation, the year of its organization and the words "Corporate Seal, South Carolina."

ARTICLE XIII

AMENDMENTS

These By-Laws may be amended by the affirmative vote of a majority of the Class "A" votes in person or by proxy, at a duly called and convened meeting of the Association; provided however, that so long as the Class "C" membership shall exist, no such amendment shall be made to these By-Laws without the consent of the Class "C" member and the Veterans Administration and/or the Federal Housing Administration shall have the right to veto any amendments made during this period.

ARTICLE XIV

MISCELLANEOUS

Section 1. Conflicts. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 2. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.

Section 3. Rules of Order. All meetings of the membership and of the Board of Directors shall be conducted in accordance with Roberts Rules of Order Revised with such modifications, additions, special orders or other regulations as the Board of Directors may adapt.

Section 4. Record of Ownership. Any person who acquired title to a Lot (unless merely as security for a debt) shall promptly inform the Board of Directors of his identity and the date upon and the manner in which title was acquired. The Board of Directors shall maintain a record of the names of all Members and of the dates upon which they acquired title to their Lots.

Section 5. Delinquent Payment Fees. An assessment not paid within fifteen (15) days following the date when due shall be subject to a Delinquent Payment Fee of two (2%) percent of the unpaid balance per month from the due date and each month thereafter so long as the assessment or any part thereof remains delinquent. The Delinquent Payment Fee shall be added to and collected in the same manner as the assessment. The Board of Directors may in its discretion waive all or any portion of a Delinquent Payment Fee imposed pursuant to this paragraph if it affirmatively appears that the failure to pay the assessment when due was caused by circumstance beyond the control of the Member.

Section 6. Notices. Any notices or documents placed in the mail receptacle or affixed to the front door of the dwelling on any Lot by or at the direction of the Board of Directors shall be deemed delivered to the Member of such Lot unless he has previously specified to the Board of Directors in writing another address for delivery of notices and documents. Any notice or document addresses to the Board of Directors and delivered to any Director by or at the direction of a Member shall be deemed delivered to the Board of Directors.

Section 7. Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 8. Waiver. No provision in the By-Laws or the regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 9- Severability. The provisions of the By-Laws are severable, and the invalidity of one or more provisions shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Section 10. Captions. Captions are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of the By-Laws or the intent of any provision.

Section 11. Gender and Number. All pronouns shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural, and vice versa, whenever the content requires or permits.

We, the undersigned, being all of the members of the initial Board of Directors of Stonefield Community Association, Inc., hereby certify that the foregoing By-Laws were unanimously adopted at the organizational meeting of the Association on September 1, 1981

s/ John W. Orvin

JOHN W. ORVIN, PRESIDENT

s/ W. H. Orvin, Jr.

W. H. ORVIN, JR., VICE PRESIDENT

s/ John D. Whittemore

JOHN D. WHITTIMORE,
SECRETARY/TREASURER

This page intentionally left Blank.

DECLARATION OF COVENANTS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS

FOR

THE COMMUNITY OF STONEFIELD

as recorded in the Office of the
Register of Mesne Conveyances for Charleston County in Book N126, page 61 and superceding
those covenants recorded in Book T124, page 366

STONEFIELD, A PARTNERSHIP
c/o The South Atlantic Life Insurance Company
1156 King Street,
Charleston, SC 29403

III. **STONEFIELD** COMMUNITY ASSOCIATION, INC.

- Powers and Duties of the Association
- Members
- Voting Rights
- Associate Membership
- Suspension of Membership
- Board of Directors
- Termination of Membership

IV. ASSESSMENTS

- Creation of Lien and Personal Obligation
- Date of Commencement of Assessments
- Community Assessments
- Notice and **Quarum** for Any Action
- Billing of Assessments
- Effect on **Non**-Payment of Assessment
- Certificate of Payment
- Subordination of the Lien to Mortgage
- Special Assessment for Use of Membership Common Property
- Subdivision Assessments

V. USE OF FUNDS

- Purposes for which Assessment Funds May be Used
- Borrowing of Funds
- Accumulation of Reserve Funds Permitted
- Posting of Bond

VI. COMMON AREA

- Conveyance of Common Area **to the** Association and Designation of Use
- Use of Common Area
- Suspension of Rights

VII. ARCHITECTURAL REVIEW BOARD

- Purpose, Powers and Duties of the Architectural Review Board
(ARB)
- Composition and Appointments
- Architectural Guidelines
- Submission of Plans and Specifications
- Approval of Plans and Specifications
- Failure to Act
- Inspection Right
- Violations

VIII. DURATION AND AMENDMENT

- 8.01 Duration
- 8.02 Amendment

IX. ENFORCEMENT

- 9.01 Right of Action
- 9.02 Specific Performance
- 9.03 Enforcement of Liens
- 9.04 No Waiver
- 9.05 Additional Rules
- 9.06 Incorporation of Provisions in Deeds

X. MISCELLANEOUS

- 10.01 No **Reverter**
- 10.02 Invalidity

- 10.03 Assignability
- 10.04 Reserve
- 10.05 Reserve
- 10.06 Indemnification
- 10.07 Easements of Encroachment
- 10.08 Easements for Utilities, Etc.
- 10.09 Headings
- 10.10 Gender
- 10.11 Effect of Violation on Mortgage
- 10.12 Notices
- 10.13 Local Laws Not Superseded
- 10.14 Construction
- 10.15 Lease of a Unit

shall inure to the benefit of each Owner thereof, his grantees, heirs, distributees, executors, administrators, successors and assigns, the Association, each Resident and the Developer.

ARTICLE I - DEFINITIONS

The following terms, when used in this Declaration, or in any supplemental Declaration made effective against the Property according to law or as provided in Article IX hereof, and when the first letters thereof are capitalized, shall have the following meanings (except as otherwise expressly provided: or unless the context of use requires otherwise):

Section 1.01. ARB. "ARB" shall mean and refer to the Architectural Review Board which shall have the duties and functions specified in Article VIII hereof.

Section 1.02, Architectural Guidelines. "Architectural Guidelines" shall mean and refer to the rules, regulations and policy statements adopted and promulgated by the ARB pursuant to Article VIII of this Declaration.

Section 1.03, Assessable Property. "Assessable Property" shall mean and refer to the Property as hereinafter defined, together with all permanent structural improvements thereon except such part or parts thereof as may from time to time constitute "Non-Assessable Property" as hereinafter defined.

Section 1.05 Assessments. "Assessments" shall mean or refer to those charges and/or fees imposed and levied against a Lot as authorized in this Declaration and shall include Community Assessments, Special Assessments (where applicable), and/or Subdivision Assessments (where applicable).

Section 1.06. Association. "Association" shall mean and refer to the Stonefield Community Association, Inc., a non-profit South Carolina Corporation or any successor thereto charged with the duties and obligations set forth herein.

Section 1.07. Association Board. "Association Board" shall mean and refer to the Board of Directors of the Association.

Section 1.08. Commercial Unit. "Commercial Unit" shall mean and refer to any property, building, portion of a building or structure, situated upon the Property and designed and intended to accommodate public, commercial or business enterprises to serve Residents and/or the public, including but not limited to the following: rental apartments, business and professional offices, facilities for the retail sale of goods and services, and industrial facilities.

Rental apartments may be reclassified as Residential Units upon conversion and sale of the same as individual townhouse or condominium units. At such time as the same are reclassified, each Individual unit shall be assessed as a Residential Unit.

Section 1.09. Common Areas. "Common Areas" shall refer to and include collectively all those properties with any improvements thereon which are designated as either Community Common Property, Membership Common Property or Subdivision Common Property. As more fully explained herein. Community Common Property is property owned by the Association and designated for the use and enjoyment of all Owners and Residents; restricted to the use and enjoyment of these persons who pay membership and user fees; and Subdivision Common Property is restricted to the use of a separately designated subdivision within Stonefield, the Owners of which pay a Subdivision Assessment to maintain the property.

Section 1.10. Community Assessment. "Community Assessment" shall have the meaning specified in Section 4.03.

Section 1.11. Community Common Property. "Community Common Property" shall mean and refer to the improved or unimproved real property, structures and personal property in which the Association owns an interest designated for the common use and enjoyment of the Owners and Residents.

Section 1.12. Declaration. "Declaration" shall mean and refer to this Declaration of Covenants, Restrictions, Easements, Charges and Liens, as the same may from time to time be supplemented or amended in the manner prescribed herein.

Section 1.13. Development Period. "Development Period" shall mean and refer to a period commencing upon recordation of this Declaration, and terminating either twenty (20) years from such date or at such time as specified in Section 3.03.

Section 1.14. Director. "Director" shall mean and refer to a member of the Association Board.

Section 1.15. Expansion Property. "Expansion Property" shall mean and refer to that real property presently owned by the Developer or acquired by Developer in the future and integrated by it into the Development Plan as set forth in Article II hereof as it may be modified from time to time, and not yet subject to this Declaration.

Section 1.16. Lot. "Lot" shall mean and refer to any plot or parcel of land (including any Structures thereon when the context requires such construction) within the Stonefield Property, including any Residential Unit or Commercial Unit shown on a plat recorded in the R.M.C. Office for Charleston County, S.C., of any part of the Stonefield Property.

Section 1.17. Member. "Member" shall mean and refer to every person or entity holding membership in the Association, as set forth in Article III.

Section 1.18. Membership Common Property. "Membership Common Property" shall mean and refer to the improved and unimproved real property, structures and personal property in which the Association owns an interest and only those members designated in the deed conveying the property to the Association as Membership Common Property who elect to join, pay a Special Assessment (user fees and membership dues), and otherwise comply with regulations the Board may adapt, shall have a right to use and enjoy such Membership Common Property. Such interest or interests may include, without limitation, estates in fee, estates for a term of years or easements. notwithstanding any legal presumption to the contrary, the fee title to any land shown upon any filed or recorded plat of any part of the Property which shall be designated as "Membership Common Property" shall be reserved to the Developer until such time as the same shall be conveyed to the Association.

Section 1.19. Non-Assessable Property * "Non-Assessable Property" shall mean and refer to the following parts of the Property:

(a) all land and permanent improvements owned by the United States, except land and permanent improvements acquired through mortgage foreclosures by the Federal Housing

Administration, the Veteran's Administration, or successors of those agencies, the State of South Carolina, the County of Charleston, or similar governmental entity, or any instrumentality or agency of any such entity, for so long as any such instrumentality or agency shall be the Owner thereof;

(b) all Common Areas;

(c) all land designated a "Common Area", "Conservation Area", or some similar designation on any plat or part of the Property filed in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina; and

(d) all lands, including permanent improvements thereon, which are exempted from real property taxation by applicable laws; provided, however, that such property shall not be exempted from assessment under this Declaration unless the Association Board shall vote by a two-thirds (2/3) majority to exempt such property.

Section 1.20. Owner. "Owner" shall mean and refer to the holder or holders of record title to the fee interest of any Residential Unit or Commercial Unit any share membership, or other interest in any cooperative, condominium, or other entity organized and operated for the purpose of making Residential Units or Commercial Units available to its shareholders, members, or other beneficiaries. "Owner" shall exclude a person having an interest[^] merely as security for the performance of an obligation.

Section 1.21. Property[^] "Property" shall mean and refer to that certain real property as shown on the plat of Sigma Engineers, Inc., made by Harold J. LeaMond, P-E. & L.S., dated May 21, 1980, and having latest revision date of March 9, 1981, entitled "Plat of Stonefield Subdivision. Phase I, Located on James Island, Charleston County, South Carolina" and recorded in the Office of the Register of Mesne Conveyances of Charleston County in Book of Plats AS, page 55, said property being described more particularly in Exhibit A attached hereto and made a part hereof, together with such additional Property as the Developer may own or acquire and which the Developer makes subject to this Declaration pursuant to the terms of Article II hereof.

Section 1.22. Resident. "Resident" shall mean and refer to any person who has registered with the Association as a "Resident" and who:

(a) owns a Residential Unit within the Property and has manifested his present intent to reside therein even though he may be temporarily absent;

or

(b) is actually living within the Property in the same household with a person described in subsection (a) above, whether or not he is a member of the immediate family of such person;

or

(c) is a residential Tenant.

Section 1.23. Residential Unit a "Residential Unit" shall mean and refer to any lot, property, building, or portion of a building, including structures situated on the property, which is designated and intended for use and occupancy as the permanent residence by a single person, a family or a family-sized group of persons, said term to include, without limitation, single-family detached residences, patio homes, townhouse units, condominium units, or cooperative-apartment units.

Section 1.24. Structure. "Structure"¹¹ shall mean and refer to:

(a) any thing or object, trees and landscaping, the placement, size, shape, color, height and quality of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse or boathouse, coop or cage, covered or uncovered patio, swimming pool, fence, curbing, signboard or any temporary or permanent improvement to such Lot; and

(b) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of waters from, through, under or across any Lot or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot; and

(c) any change in the grade of any lot or other property of more than six (6") Inches.

Section 1.25, Subdivision* "Subdivision" shall mean and refer to that part or portion of the Property designated as a Subdivision by the Developer and as shown on a plat or plats of any part of the Property filed with the Office of the Register of Mesne Conveyances of Charleston County, A Subdivision may consist of a defined group of Residential Units or Commercial Units for example and by way of illustration and not limitation; condominiums, apartments, or fee simple houses or townhouses.

Section 1.26. Subdivision Common Property. "Subdivision Common Property" shall mean and refer to the Improved or unimproved real property, structures and personal property designated as Subdivision Common Property on a plat of a portion of Stonefield and so designated in the deed conveying the property to the Association, Only those Owners and Residents of a defined Subdivision of Stonefield shall have a right to use and enjoy such Subdivision Common Property. Notwithstanding any legal presumption to the contrary, the fee title to any land shown upon any filed or recorded plat of any part of the Property which shall be designated as "Subdivision Common Property" shall be reserved to the Developer until such time as the same shall be conveyed to the Association*

Section 1.27. Tenant. "Tenant" shall mean and refer to any person who occupies a Residential Unit or Commercial Unit under a written lease from an Owner in which said person is named "lessee" and delivers an executed copy of such lease to the Association.

ARTICLE II - PROPERTY AND EXPANSION

Section 2.01. Development Plan. The real property described in Exhibit A is a portion of a larger area of land owned (or that may be acquired) by the Developer, described in Exhibit B attached hereto and made a part hereof, which Developer may from time to time, in its sole discretion, subject in whole or in part to this Declaration. Such property, described in Exhibit B, when subjected to this Declaration as provided for in Sections 2.03, and not before such time, shall become part of Stonefield.

The Developer intends to develop the property described in Exhibit "A" and Exhibit "B" in accordance with a Master Development Plan prepared by consultants and its planning department and placed on display in its reception and sales office, and other areas. The Developer reserves the right to review and modify the Master Development Plan at its sole option from time to time based upon its continuing research, market surveys, and design programs. The Master Development Plan shall not bind the Developer, its successors and assigns to adhere to the Master Development Plan in the development of the-land shown thereon.

Section 2.02. Right of Expansion. During the Development Period, the Developer may, in its discretion, expand the community of Stonefield to include all or part of the Expansion Property. The Developer may bring all or any portion of the Expansion Property into Stonefield without the consent of any Owner, Resident, mortgagee, Tenant, lien holder or other person or persons, or Member of the Association; excepting only and provided further, that no property other than as shown on Exhibit "A" shall be subjected to this Declaration without the prior approval of the Veteran's Administration and the Federal Housing Administration.

The Developer shall not be obligated to extend or expand the Stonefield development beyond the area as described in Exhibit "A" hereof.

The Property described in Exhibit A and such Expansion Property as may be utilized pursuant to Section 2.03 shall be the only property subject to the Declaration. Nothing contained in this Declaration or in any recorded or unrecorded map, plat, picture, drawing, brochure, or other representation of a scheme of development shall be construed as requiring the Developer, or any successor or assignee thereof, to subject to this Declaration or develop any land, now or hereafter owned by the Developer, other than the Property described in Exhibit "A".

Section 2.03. Declaration of Expansion. Expansion Property shall be subjected to the terms of this Declaration by recording a Declaration of Expansion in the Office of the Register of Mesne Conveyances of Charleston County and shall:

- (a) describe the property to be subjected to this Declaration;
- (b) . declare that the property so described is included pursuant to the provisions hereof;
- (c) declare that the property so described shall become a part of the community of Stonefield and be developed in a manner harmonious to that area then existing and known as Stonefield; and
- (d) provide for other restrictions, conditions, covenants and allocations of rights and benefits not inconsistent with the provisions hereof.

From and after the date of recording of a Declaration of Expansion, the Expansion Property subject thereto shall become part of the Property for all purposes of this Declaration.

Section 2.04. Expansion After Development Period. After the Development Period, the Association may expand the Stonefield community to include additional lands by recording a Declaration of Expansion. Any such expansion shall require the approval of two-thirds (2/3) of each class of Members.

ARTICLE III - STONEFIELD COMMUNITY ASSOCIATION, INC.

Section 3.01. Powers and Duties of the Association. The Association is organized to operate for the promotion of the common good and general welfare of the people of Stonefield and consistent therewith, to acquire, improve, maintain, preserve, and control the Common Areas, to administer and to enforce all covenants, restrictions, easements, and charges and liens created and contained in this Declaration and any declaration of covenants and restrictions of any subdivision, and otherwise to promote the health, safety and general welfare of the people of said community. Consistent with the foregoing, the Association is authorized to exercise all powers which a corporation organized under the Non-Profit Corporation Laws of South Carolina, as from time to time amended, may be authorized to exercise.

The functions and services to be carried out or offered by the Association at any particular time shall be determined by the Association Board taking into consideration the funds available to the Association and the needs of the Members.

Section 3.02. Membership. Every person or entity who is the record owner of a fee or undivided fee interest in any Commercial Unit or Residential Unit that is subject to this Declaration shall be a member of the Association. Membership shall be appurtenant to and may not be separated from such ownership. The foregoing is not intended to include persons who hold an interest merely as security for its performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership.

Section 3.03. Voting Right. The Association shall have three classes of voting membership:

Class A. Class "A" members shall be all Owners of Residential Units, with the exception of the Developer. Owners of Residential Units other than single family residences, townhouses or duplex Residential Units, which have been leased shall vote as Class "D" members and not as Class "A" members. Such lessees shall be Associate Members and shall not be Class "A" members.

Class B. Class "B" members shall be all Owners of Commercial Units.

Class C. Class "C" member shall be the Declarant, and any successor of Developer who takes title for the purpose of development and sale. The Class "C" members shall originally be entitled to one thousand one hundred (1,100) votes; this number shall be decreased by one vote for each three Class "A" and Class "B" votes outstanding at any one time. The Class "C" membership shall terminate and become converted to Class "A" or Class "B" membership upon the happening of the earlier of the following:

(i) When the total outstanding Class "A" and Class "B" votes equal or exceed eight hundred twenty five (825);

or

(ii) January 1, 2000;

or

(iii) When, in its discretion, the Developer so determines and executes and records an instrument stating such determination;

or

(iv) When there is no new construction, no application for building permits, or no continuation of sales activity (maintenance of a sales office or advertisement of Units for sale) for a period of six (6) months, the Developer shall execute and record such notice of termination of the project. From and after the happening of these events, whichever occurs earlier, the Class "B" members shall be deemed to be Class "A" or Class "B" member entitled to one vote for each Residential and Commercial Unit in which the interest required for membership under Section 1 hereof is held.

Where a Residential Unit or Commercial Unit is owned of record in any manner of joint or common ownership, the joint or common Owner thereof shall share among them the rights (including voting rights) given to an Owner pursuant to this Declaration, which they shall be entitled to exercise as a whole, but not in part, in whatever manner they shall jointly determine. With respect to voting rights in particular, joint or common ownership of a Residential Unit or Commercial Unit shall entitle the Owners thereof to a total of one vote, to be exercised in whatever manner they shall jointly determine. If such owners fail to determine the manner in which their vote should be cast, then their vote shall not be counted. The Association Board may make such rules and regulations as it deems advisable for any meeting of the Membership, Association vote, referendum or election.

Section 3.04. Associate Membership. Every Resident or Tenant who is entitled to possession and occupancy of any Residential Unit or Commercial Unit shall be an Associate Member of the Association and as such shall be privileged to use the Common Areas, subject to the rules and regulations of the Association, but shall not be entitled to any vote.

Section 3.05. Suspension of Membership. The Association may suspend the voting rights and rights of enjoyment of the Common Areas of any Member for any period during which any assessment against his Unit remains delinquent. Such rights of membership may also be suspended for a period not to exceed sixty (60) days for any infraction of rules and regulations published by the Association.

Section 3.06. Board of Directors. The affairs of the Association shall be governed by a Board of Directors. The number of directors shall initially be five and may be increased to seven or nine, the exact number to be determined by the by-laws. It is the intent of this Article that the right to elect at least a majority of the members of the Board of Directors shall pass from the Developer (Class C Member) to the Class A and B Members at such time as the Class C Membership terminates.

Section 3.07. Termination of Membership. No person shall continue to be a Class A or Class B Member after he shall cease to hold a qualifying interest in a Residential Unit or Commercial Unit. No Member may avoid his obligations under this Declaration by declining to use the Common Areas (except as provided for with respect to Membership Common Property), abandoning his Lot, or by any other act of abandonment or renunciation.

ARTICLE IV - ASSESSMENTS

Section 4.01. Creation of Lien and Personal Obligation of Assessment. The Developer for each

Residential Unit and Commercial Unit, and each Owner of any Residential Unit or Commercial Unit shall, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Association the Community Assessments, and applicable Subdivision Assessments and Special Assessments.

Assessments, together with Delinquent Payment Fees thereon and costs of collection thereof (including reasonable attorney^ fees) as hereinafter provided shall be a charge on the land and a continuing lien upon the Residential or Commercial Unit, or platted Lots owned by the Developer, against which each assessment is made. Each such assessment, together with Delinquent Payment Fees, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such Residential or Commercial Unit at the time the assessments become due. The personal obligation for delinquent assessments shall not pass to a successor in title unless expressly assumed by such successor Owner.

Section 4.02. Date of Commencement of Assessments.

(a) The annual Community Assessments provided for herein shall commence as to Residential Units on the date a plat showing such lots is recorded in the R.M.C. Office for Charleston County, South Carolina, provided however, that lots owned by the Developer shall be assessed at one-fourth (1/4) of the Community Assessment rate applicable to Residential Units. The Developer shall, however, be assessed the full Community Assessment for any completed Residential Unit owned by it which is occupied.

(b) The annual Community Assessments provided for herein shall commence as to Commercial Units as of the date the ARB approves plans and specifications for the building to be constructed thereon.

(c) The annual Subdivision Assessments provided for herein shall commence as to all Commercial and Residential Units within a particular Subdivision on the first day of the month following the conveyance of the Subdivision Common Property contained within the Subdivision to the Association, or as specified in a contract with the Owners of property within such Subdivision.

(d) Special Assessments shall commence when a voluntary election is made to join and utilize the Membership Common Property.

In case of additional properties annexed by amendment to this Declaration, on the first day of the month following said annexation, Assessments shall be due and payable in a manner consistent with this Declaration and on a schedule as the Board of Directors may provide. The initial Assessments shall be adjusted according to the number of months then remaining in that fiscal year.

Section 4.03. Community Assessments. Community Assessments for each Residential Unit shall be equal. Community Assessments on Commercial Units shall be computed as follows: For the first two thousand (2,000) square feet of net usable floor space the Community Assessment shall equal that for Residential Units and shall increase by an amount equal to one-fourth (1/4) thereof for each additional one thousand (1,000) square feet.

Until January 1, 1982, the Community Assessment shall be the annual sum of One Hundred Eighty Dollars.

The Board of Directors shall thereafter fix the annual Community Assessment at an amount not in excess of the maximum as hereinafter defined:

Until January 1, 1983, the maximum Community Assessment shall be Two Hundred Fifty Dollars per Residential Unit. From and after January 1, 1983, the maximum Community Assessment shall be increased without a vote of the membership in any fiscal year by five (5%) percent of the previous years Community Assessment plus such sum as is proportionately equal with the increase, if any, in the Consumer Price Index for All Urban Consumers, U.S. City Average (1967=100), published by the Department of Labor, Bureau of Labor Statistics, for the same comparative period, as of the month of September preceding the next fiscal year. The base Consumer Price Index for Services for the purposes of this Declaration and as of September, 1980, is 251.7. For example, if on September, 1981, the Index is 264.29, then and in such event, the maximum General Assessment for the 1982 fiscal year shall be increased five percent (5%) by the Index formula in addition to a sum equal to five percent (5%) of the actual annual Community Assessment for the previous year. The maximum annual Community Assessment may be increased above that established by the formula set forth above, by a two-thirds (2/3) vote of each class of Members present, in person or by proxy, at a meeting duly called for this purpose.

In addition to the annual Community Assessments authorized above, the Association may levy, in any assessment year, a capital improvement assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Community Common Property, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Such capital improvement assessment, when so approved, shall be deemed an additional Community Assessment for the applicable year.

Section 4.04. Notice and Quorum for Any Action Authorized Under Section 4.03. Written notice of any meeting called for the purpose of taking any action authorized under Section 4.03 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast forty percent (40%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.05. Billing of Assessments. At such time or times as the Association Board may determine, but in no event less than once per year, the Association shall levy the Assessments. The Association shall send a written bill to each Owner stating:

(a) the amount of the Community Assessment imposed against each Residential or Commercial Unit which is Assessable Property owned by an Owner,

(b) the amount of Special Assessments due and the Membership Common Property to

which such Special Assessments are applicable,

(c) the amount of Subdivision Assessment due,

(d) the time period for payment thereof, and (e) the Delinquent Payment Fee to be imposed for late payments thereof.

Assessments shall be due and payable on a date established by the Association Board, and shall become delinquent on a date established by the Association Board, but no less than thirty (30) days after such written bills are mailed. The Association Board may establish payment procedures to allow payment of Assessments in increments during the fiscal year of the Association, provided that this privilege is extended to all Owners on an equal basis, and provided that reasonable notice is given of each payment date, of the late payment charge to be imposed for late payments, of the liens established by this Declaration, and of the suspension of membership rights as a consequence of failure to pay.

Section 4.06. Effect on Non-Payment of Assessment; The Lien; Remedies of Association. If the Assessments are not paid on the date when due then such Assessments shall become delinquent and shall (together with a Delinquent Payment Fee as shall be provided in the By-Laws but not to exceed five (5%) percent of the unpaid balance per month from the due date and each month thereafter and so long as the assessment or any part thereof remains delinquent, and the cost of collection thereof as herein provided) become a charge and continuing lien on the land and all improvements thereon, against which each such Assessment is made.

If the Assessments are not paid within thirty (30) days after the due date, the Association may bring an action at law against the property Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such Assessments the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include Delinquent Payment Fees on the Assessments as above provided and a reasonable attorney's fee together with the costs of the action.

Section 4.07. Certificate of Payment. Upon written demand by an Owner, the Association shall issue and furnish to each Owner, within a reasonable period of time, a written certificate stating that all Assessments, including Delinquent Payments Fees and costs (if any) , have been paid with respect to any specific Lot owned by said Owner as of the date of such certificate, or if all Assessments have not been paid, setting forth the amount then due and payable. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser or encumbrancer of the Lot in question.

Section 4.08. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Properties subject to Assessment; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such Property from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessments.

Section 4.09. Special Assessments for Use of Membership Common Property. In addition to the Community Assessment, the Association Board shall levy and collect membership charges and/or user fees for the use of Membership Common Property for the purpose of maintaining Membership Common Property and operating services offered thereon. Such user fees and charges shall be treated as an additional Assessment (herein referred to as a "Special Assessment") to be charged to the account of such Owner who elects to use the Membership Common Property, and, in those situations where a Resident or Tenant elects to use the Membership Common Property, such user fees and charges shall be treated as an additional Assessment (Special Assessment) to be charged to the account of the Owner of the Residential or Commercial Unit whose Resident elects to use such Membership Common Property. The Association Board shall have full discretion to determine the amount of user fees and/or membership charges for the use and enjoyment of any Membership Common Property, provided, however, that such fees or charges shall be of an amount adequate to generate sufficient sums to cover the cost of the operation of the applicable type and function of Membership Common Property and to cover the cost of repayment of any debt obligation thereon. Fees and charges shall be uniform among those Owners and Residents electing to use Membership Common Properties.

Section 4.10. Subdivision Assessments. For the purpose, of providing funds for the uses specified in Section 5.01 (c) hereof, the Association Board shall assess against the Assessable Property of the applicable Subdivision in <each year, beginning with the year in which Subdivision Common Property is first conveyed to the Association or the Association becomes obligated under contract with Subdivision Owners to manage the Subdivision Common Property, a "Subdivision Assessment"* which shall be uniform charge with respect to all Assessable Property within the applicable Subdivision except that in those instances wherein the Association is acting pursuant to a management contract, such Assessments may be in such manner as specified in the contract

ARTICLE V - USE OF FUNDS

Section 5.01. Purposes For Which Assessment Funds May be Used. The Association shall apply all funds received by it pursuant to this Declaration and all other funds and property received by it otherwise as herein provided. Funds derived from Community Assessments shall be applied exclusively for the use and benefit of Community Common Property. Funds derived from Special Assessments shall be separately accounted for according to type and function of Membership Common Property from which such funds are derived and applied exclusively for the use and benefit of property of the same type and function. The Association Board shall, in its discretion, determine which Membership Common Property amenities are sufficiently related as to kind, character and use so as to be considered of the same type and function. Funds derived from Subdivision Assessments shall be separately accounted for according to the Subdivision from which such Assessment funds are derived and applied exclusively for the use and benefit of Subdivision Common Property thereof.

(a) Community Assessment funds shall be applied to the operating costs and expenses of the Association, including management, planning and implementation of community programs, and providing security-protection services, the planning, design, acquisition, improvement, construction, management, maintenance and equipping of Community Common Property including, but not limited to, the streets and roads within Stonefield; parks and other open space; trees, flowers, 'and other landscaping; pedestrian, bicycle and equestrian pathways; tot-lots, playgrounds, ball fields, and

other recreational facilities; shelters, meeting halls, conference rooms, office space, storage and maintenance yards, garages, and other buildings and facilities deemed necessary or desirable by the Association Board in connection with the administration, management and operation of the Association; the costs and expenses of the Association in taking any and all actions necessary to enforce all covenants and restrictions affecting the Property and to perform any of the functions or services authorized in this Declaration and any other covenants or restrictions applicable to the Property, including, inter alia, the administrative costs of providing security-protection services, operating the Architectural Review Board and obtaining liability and hazard insurance covering improvements and activities on the Community Common Property;

(b) Special Assessment Funds for Membership Common Property shall be applied to: (i) the operating costs and expenses of the Association with regards to management, planning and implementation of programs and facilities of Membership Common Property; (ii) the planning, design, acquisition, improvement, construction, management, maintenance and equipping of Membership Common Property including, but not limited to, tennis courts, pools, golf courses, gymnasiums, boat docks and marinas, and other similar recreational facilities as deemed desirable by the Association Board; and

(c) Subdivision Assessment Funds for Subdivision Common Property shall be applied exclusively to the operating costs and expenses of the Association with regard to the management, maintenance and improvement of tennis courts, swimming pools, and other Subdivision amenities and the landscape, trees, lawn and shrubbery on the Subdivision Common Property, or to fulfill obligations as specified in an applicable management contract between a Subdivision and the Association.

Section 5.02. Borrowing of Funds. In order to secure the repayment of any and all sums borrowed by it from time to time, the Association Board is hereby granted the right and power:

(a) to assign and pledge revenues received, and to be received, by it under any provision of the Declaration, including, but not limited to, revenues derived from Community Assessments, Special Assessments and Subdivision Assessments payable hereunder; provided, however, that the revenue generated by the Assessments shall be assigned and pledged only to secure such borrowings as are applied to the exclusive benefit of the Community Common Property, same type and function of Membership Common Property, or the applicable Subdivision Common Property, to which the Assessment is applicable;

and

(b) to enter into agreements with lenders with respect to the collection and disbursements of funds, including, but not limited to, agreements wherein the Association covenants:

(i) to assess the Community Assessment, Special Assessment or Subdivision Assessment on a given day in each year and, subject to the limitation on amount specified in Article IV, to assess the same at a particular rate or rates;

(ii) to establish sinking funds or other security deposits, or both;

(iii) to apply funds received by the Association to the payment of all principal and interest when due on such loans or to apply the same to such purpose after providing for costs of

collection;

(iv) to establish such procedures as may be required by the lenders, but not inconsistent with the Declaration;

(v) to provide for the custody and safeguarding of all funds received by the Association; and (

vi) to negotiate and arrange the amount, terms and rate or rates of all borrowing and the provisions of all agreements with lenders.

Community Common Property shall not be mortgaged without the assent of at least two-thirds (2/3) of each class of members of the Association and, during the Development Period, approval of the Veterans Administration.

Section 5.03. Accumulation of Reserve Funds Permitted. The Association shall not be obligated to spend in any calendar year all the sums collected in such year by way of Assessments or otherwise, and may carry forward as surplus any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Assessment in the succeeding year, but may carry forward from year to year such surplus ("Reserve Funds") as the Association Board may determine to be necessary or desirable for the greater financial security of the Association and the effectuation of its purposes, including accruing funds for the replacement of facilities; provided, however, that Reserve Funds shall be separately accounted for according to the type and function of Common Area from which such Assessment revenues are derivative and applied to the exclusive use and benefit of the applicable Common Areas as follows:

(a) those Reserve Funds derived from Community Assessments shall be applied to the exclusive use and benefit of Community Common Property;

(b) those Reserve Funds derived from Special Assessments shall be applied to the exclusive use and benefit of Membership Common Property of the same type and function as is the property that generated such Assessment; and

(c) those Reserve Funds derived from Subdivision Assessments shall be applied to the exclusive use and benefit of the Subdivision Common Property of the Subdivision from which such funds were assessed.

Section 5.04. Posting of Bond. The Association, acting through the Association Board, shall require that all persons or entities who handle the Association funds or monies post bonds sufficient in amount to indemnify the Association from any loss.

ARTICLE VI - COMMON AREA

Section 6.01. Conveyance of Common Area to the Association and designation of use

(a) The Developer shall from time to time convey to the Association certain property for the common use and enjoyment of the Owners and Residents, subject however, to the terms and restrictions contained in this Declaration and such restrictions as the Developer may include in the deed thereto. The deed of conveyance shall contain appropriate restrictions and assurances that such property shall be reserved for the use and enjoyment of the Members of the Association as specified in this Declaration, and subject to the terms and conditions contained in this Declaration for

each type of Common Area as may be applicable. The Developer shall not be required to convey Subdivision Common Property to the Association but may alternatively convey said property to Owners within the Subdivision or an organization representing such Owners,

(b) The Developer shall, at the time of conveyance of Common Area to the Association, designate such parcel or plot of property conveyed as Community Common Property, Membership Common Property or Subdivision Common Property. There shall be no change in designation of such Common Area except with the mutual consent of the Veterans Administration* (during the Development Period), the Association, and the approval of two-thirds (2/3) of each class of members.

(c) Community Common Property shall, be conveyed to the Association free of encumbrances and liens other than this Declaration, within two years after such property is made subject to this Declaration.

Section 6.02. Use of Common Area.

(a) Use of Community Common Property. Every Owner, by reason of such ownership, shall have a right and easement of enjoyment in and to all Community Common Property, and such easement shall be appurtenant to and shall pass with every Unit upon transfer. All Associate Members who are not also Owners shall have a non-transferable privilege to use and enjoy all Community Common Property. Any guest of a Member shall be entitled to a right or privilege of enjoyment of Community Common Property subject to such regulations as may be promulgated by the Association Board.

(b) Use of Membership Common Property. The use and enjoyment of Membership Common Property shall be restricted to those Owners and Residents of Stonefield as provided for in this Section 6.02. Each Owner or each Resident (with the prior consent of the Owner of a Lot on which he resides), by reason of such ownership or residence, shall have the right to elect, at his option, to either (i) utilize Membership Common Property and thus be subject to a Special Assessment therefore, or (ii) not to utilize Membership Common Property and therefore not be required to pay any assessment therefore.

(c) Use of Subdivision Common Property. Every Owner of a Lot within a designated Subdivision, by reason of such ownership, shall have a right and easement of enjoyment in and to all Subdivision Common Property applicable to that Subdivision; and such easement shall be appurtenant to and shall pass with every Lot upon transfer. All Residents who are not also Owners shall have a non-transferable privilege to use and enjoy all Subdivision Common Property of the applicable Subdivision so long as they are Residents thereof. The use and enjoyment of Subdivision Common Property shall be restricted to those Owners and Residents of the designated Subdivision.

(d) All such rights, easements and privileges conferred under this Section 6.02 shall, however, be subject to the right of the Association Board:

(i) to adopt and promulgate reasonable rules and regulations pertaining to the use, operation and maintenance of Common Areas which shall enhance the preservation of the facilities, the safety and convenience of the users thereof, and which shall serve to promote the best interests of the Members and the community of Stonefield;

(ii) to determine consistent with the terms of this Declaration the use or uses to which the Common Area may be put;

(iii) to determine which, if any. Common Area may be used and enjoyed by the general public or a Federal, state or local governmental body, or to convey Common Area to a public body; provided, however, that Common Area shall not be conveyed to a public body unless the Association Board has obtained the prior approval of two-thirds (2/3) of each class of Members, who are present in person or by proxy and voting at an Association meeting, referendum or election called for such purpose upon written notice to the Members; and provided further, that Subdivision Common Area shall not be conveyed to a public body unless the Association Board has obtained the prior approval of two-thirds (2/3) of each class of Members who are Owners of Residential Units ' or Commercial Units within the applicable Subdivision;

(iv) to levy user fees and membership charges pursuant to this Declaration and to levy user fees for guests of Members;

Section 6.03. Suspension of Rights. The Association shall have the right to suspend the right or privilege under this Article VI of any Member for any period during which the Assessments (including Special Assessments and Subdivision Assessments levied under Article IV hereof) remain delinquent and may suspend said right or privilege for a period not to exceed sixty (60) days in connection with the enforcement of any rules and regulations relating to the Common Area in accordance with the provisions of this Article VI

ARTICLE VII - ARCHITECTURAL REVIEW BOARD

Section 7.01. Purpose, Powers and Duties of the Architectural Review Board (ARB). The purpose of the ARB is to assure that all proposed uses and any construction or alteration of any structure which takes place on any Lot or any other portion of the Property shall be performed in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among Structures and the natural vegetation and topography. To carry out that purpose, the ARB shall have the right pursuant to the provisions of this Article VII to approve or disapprove any and all proposed uses, site plans and Structures to be constructed on the Property, including proposed uses, site plans, and Structures for the Common Areas- It shall also have the right to approve or disapprove any and all proposed external alterations or use changes for Lots or Structures, including the Common Areas.

Section 7.02. Composition and Appointments. The ARB shall consist of three (3) or more persons appointed by the Eoard of Directors of the Association. A majority of the ARB may designate a representative or-subcommittee to act for it. In the event of death or resignation of any member of the ARB, the Eoard of Directors shall designate a successor. The members of the ARB shall not be entitled to any compensation for services performed pursuant to this covenant.

Section 7.03. Architectural Guidelines. Pursuant to the provisions .of Section 7.01, the ARB may adopt, promulgate, amend, revoke and enforce guidelines, hereafter referred to as the Architectural Guidelines, for the purposes of: (a) governing the form and content of plans and specifications to be submitted for approval; (b) governing the procedure for such submission of plans and specifications; and (c) establishing policies with respect to the approval and disapproval of all proposed uses and all construction or alteration of any Structure on any Lot, and the Common Areas. The ARB shall make a published copy of its current Architectural Guidelines readily available to architects, builders, owners and prospective owners upon request. The ARB shall establish and promulgate Architectural Guidelines for Stonefield and such additional guidelines as the ARB may, in its discretion, deem necessary and appropriate for any specified portion thereof.

Section 7.04. Submission of Plans and Specifications. No Structure shall be commenced, erected, placed, moved onto or permitted to remain on any Lot, nor shall any existing structure upon any Lot be altered in any way which materially changes the exterior appearance thereof, nor shall any new use be commenced, unless plans and specifications (including a description of any proposed new use) therefore shall have been submitted to and approved in writing by the ARB. Such plans and specifications shall be in such form and shall contain such information as may be required by the ARB in the Architectural Guidelines promulgated by the ARB. The ARB reserves the right to require the following, which shall not be construed as any limitation on the ARB's authority to promulgate such other guidelines as it deems appropriate:

(a) One set of complete prints of the home, as well as the proposed Lot selection, must be submitted to the ARB for approval. Prints shall be drawn to the scale specified in the Architectural Guidelines and must include foundation plan, floor plan, all exterior elevations, location and width of driveway, and projected finish grade following backfilling and landscaping.

(b) Actual samples and/or descriptive information on materials such as brick, stone, siding and roofing, as well as exterior color schemes, must be submitted if requested by the ARB.

(c) During all phases of clearing, grading and construction, builders' and suppliers' vehicles must enter and leave the home site on the intended driveway. There shall be no subcontractor signs and no signs nailed to trees. Builders' signs and permits shall be professionally lettered and fastened to four-inch by four-inch (4" x 4") dark brown-stained posts. Real estate agency signs must be of a design and location approved by the ARB.

(d) All construction debris, stumps, trees, etc., must be periodically removed from each lot by the builder and/or owner, and such debris shall not be dumped in any area within unless approved in writing by the ARB. Following construction and until the house is sold and/or occupied, the builder and/or Owner shall keep the home clean and the yard landscaped.

(e) Roof colors and material shall be approved by the ARB as stated above. Roof vents and flashing shall be the same color as the roof, and where possible, the vents should be installed on the back side of the roof behind the ridges.

(f) Whenever any construction is in whole or in part of concrete, concrete blocks, cinder blocks, or other fabricated masonry-block units, the entire surface of such blocks exposed above finish grade shall be veneered with brick, natural stone, stucco approved by the ARB, or other material approved by the ARB, or shall be used in such a manner as is acceptable to the ARB.

(g) The erection, location and design of all mailbox and newspaper receptacles shall be approved by the ARB. Garbage and trash containers shall be installed underground or enclosed with a fence and gate which must be approved by the ARB. No garbage or trash containers shall be allowed at curbside. Any yard fencing shall also be submitted to the ARB for approval.

(h) The use and location of a construction trailer and/or shed by a builder and/or Owner must be approved by the ARB.

Section 7.05. Approval of Plans and Specifications. Upon approval by the ARB of any plans and specifications submitted hereunder, such plans and specifications, as approved, shall be deposited for permanent record with the ARB and a letter of approval from the ARB shall be sent to the person submitting the same. Approval for use in connection with any Lot or structure of any plans and specifications shall not be deemed a waiver of the ARB's right, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Lot or structure. Approval of any such plans and specifications relating to any Lot or structure, however, shall be final as to that Lot; and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

(a) In any case in which the ARB shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specific conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case, the ARB shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal may be prepared and submitted for approval.

(b) No action of the ARB or an advisory subcommittee in connection with approvals or disapprovals shall entitle any person to any cause of action or claim against any member or members of the ARB, provided that the foregoing shall not apply in any case in which any individual benefit or

consideration shall have been realized by the member or members of the ARB against whom the cause of action or claim is being asserted.

Section 7.06. Failure to Act. In the event that the ARB shall fail to take action on any plans and specifications as herein provided within thirty (30) days after receipt thereof, such plans and specifications shall be resubmitted. If not approved within thirty (30) days of such resubmission, the same shall be deemed to have been approved as submitted, and no further action by the ARB shall be required for the applicant to begin construction. A letter of approval from the ARB shall be sent to the applicant indicating such action.

Section 7.07. Inspection Right. After reasonable notice and at any reasonable time or times, any agent of the Developer, the Association or the ARB may enter upon any Lot for the purpose of ascertaining whether the use or maintenance of such Lot or the construction of any structure thereon is in compliance with the provisions hereof; and neither the Developer, the Association, the ARB, nor any such agent shall be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection.

Section 7.08. Violations. If any Structure shall be erected, placed, maintained or altered upon any Lot, or any new use commenced on any Lot, otherwise than in accordance with the plans and specifications approved by the ARB pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required therein. If, in the opinion of the ARB, such violation shall have occurred, the ARB shall notify the Association. If the Association Board shall agree with the determination of the ARB with respect to the violation, then upon written notice of the violation to the Owner from the Association Board (which shall be deemed to have been delivered if sent by registered mail, return receipt requested, postage paid), and, if the Owner of the Lot upon which such violation exists shall not have taken reasonable steps toward the removal or termination of the same within twenty (20) days after the mailing of the aforesaid notice of violation, the Association shall have the rights of enforcement as provided in Article IX hereof.

ARTICLE VIII - DURATION AND AMENDMENT

Section 8.01. Duration. This Declaration and the Restrictions contained herein shall be covenants running with the land and shall burden and bind the Property, shall inure to the benefit of and be enforceable by the Developer (during the Development Period), the Association and the Owner of any Residential Unit or Commercial Unit, their respective legal representatives, heirs, successors and assigns, and by any Resident until December 31, 1999, after which time the Declaration shall be automatically renewed for successive periods of ten (10) years, unless prior to the commencement of any such renewal period, an instrument terminating this Declaration and the Restrictions contained herein shall be executed by the proper Association Officers and recorded in the Offices of the Register of Mesne Conveyances of Charleston County, or in such other place of recording as may be appropriate at the time of the execution of such instrument, pursuant to a resolution to such effect approved in writing by not less than two-thirds (2/3) of its each class of members which resolution shall have been approved within six (6) months prior to December 31, 1999, or by the end of any such ten (10) year extension period.

Section 8.02. Amendment. The Developer specifically reserves the right to amend this Declaration, or any portion hereof, on its own motion, from the date hereof until December 31, 1982, so long as the

voting power of existing Members is not diluted thereby, nor the amounts of assessments of . such existing Members raised or changed in any manner which adversely affects such Members. Such amendment shall be effected by recording the same in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina. Provided further, that the prior approval of the Federal Housing Administration and the Veterans Administration shall be obtained and no amendment hereof shall be effective unless such approval is granted. Concurrence thereon by FHA/VA shall be conclusively established by appendage. to the recorded instrument of an affidavit by the Developer stating that prior FHA/VA approval has been granted.

Thereafter, the procedure for amendment shall be as follows: All proposed amendments shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if two-thirds (2/3) of the Class A votes and two-thirds (2/3) of the Class B votes cast at such meeting, in person or by proxy, approve such amendment. Notice shall be given each Member at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If- any proposed amendment to this Declaration is approved by the Members as set forth above the President and Secretary of the Association shall execute an Addendum to this Declaration which shall set forth the amendment, the effective date of the amendment (which is no event shall be less than sixty (60) days after the date of the meeting of the Association at which such amendment was adopted), the date of the meeting of the Association at which such amendment was adopted, that date that notice of such meeting was given, the total number of votes necessary to adopt the amendment, the total number of votes cast in favor of such amendment, and the total number of votes cast against the amendment. Such Addendum shall be made of record.

So long as there is a Class C Member, no amendment of this Declaration shall be made without the consent of the Board of Directors. .

The quorum required for any action authorized to be taken by the Association under this Section 8.02 shall be as follows: The first time any meeting of the Members of the Association is called to take action under this Section 8.02» the presence at the meeting of Members entitled to cast twenty-five (25%) percent of the total vote of the Class "A" Membership and twenty-five (25%) of the total vote of the Class "B" Membership shall constitute a quorum. If the required quorum is not present at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such subsequent meeting shall be the presence of Members or proxies entitled to cast ten (10%) percent of the total vote of the Class "A" Membership and ten (10%) percent of the total vote of the Class "B" Membership.

ARTICLE IX - ENFORCEMENT

Section 9.01. Right of Action. In the event of a violation or breach of any restriction or covenant contained in this Declaration, or in the event of a violation or breach of any restriction or covenant contained in any declaration of covenants, conditions, easements, and restrictions for any Subdivision, the Association shall give written notice to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within twenty (20) days after the mailing of said written notice, then the Association shall have the Right of Action. The Right of Action shall mean the right of the Association, through its agents and employees, to enter at all reasonable times upon any Lot as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation, breach or other condition which may exist thereon contrary to the provisions hereof. Such entry or action, or both, shall not be deemed to be a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this Section. The cost thereof shall be a binding personal obligation of such Owner enforceable in law, as well as a lien on such Owner's Lot enforceable pursuant to the provisions of Section 9.03 hereof.

Section 9-02. Specific Performance. Nothing contained herein shall be deemed to affect or limit the rights of the Developer (so long as it is an Owner), the Association, the Members or the Residents to enforce this Declaration by appropriate judicial proceedings. However, the Developer hereby declares that it is impossible to measure in money the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns by reason of a violation of, or failure to perform any of the obligations provided by, this Declaration; and therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

Section 9.03. Enforcement of Liens. The Association shall have a lien for Assessments as set forth in Article hereof and shall have a lien for the cost of exercising the Right of Action as set forth in Section 9.01 hereof. Each such lien may be enforced by the Association in any manner permitted by the laws of South Carolina- In such event, the amount which may be recovered by the Association shall include the Assessment or cost, plus the cost of such enforcement proceedings, including reasonable attorneys* fees and interest.

Section 9.04. No Waiver. The failure of the Developer, the Association, the Owner of any Lot, his or its .respective legal representatives, heirs, successors and assigns, or any Resident, to enforce this Declaration shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to a similar violation or breach occurring prior or subsequent thereto.

Section 9.05. Additional Rules. The Association and the ARB, to the extent specifically provided herein, may adopt and promulgate reasonable rules, regulations and procedures regarding the administration, interpretation and enforcement of the provisions of this Declaration. In so adopting and promulgating such rules, regulations and procedures, or in making any findings, determination, ruling or order, or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association and the ARB shall take into consideration the best interests of the Owners and Residents of the Property to the end that the

Property shall be preserved and maintained as a community of high quality.

Section 9.06. Incorporation of Provisions in Deeds. Each grantee, by accepting a deed, lease or other instrument conveying any interest in any Residential Unit or Commercial Unit, whether or not such instrument incorporates or refers to this Declaration, covenants for himself, his heirs, successors and assigns to observe, perform and be bound by the Declaration and -, to incorporate this Declaration by reference in any deed or other conveyance of all or any portion of his interest in any real property subject hereto. ,

ARTICLE X - MISCELLANEOUS

Section 10.01. No Reverter. No covenant, condition, restriction or reservation of easement contained in this Declaration is intended to be, or shall be, construed as creating a condition subsequent to or as creating a possibility of reverter.

Section 10.02. Invalidity. The determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

Section 10.03. Assignability.

(a) The Association shall be empowered to assign its rights, or any part thereof, to any successor public body, authority, agency, district, or non-profit membership corporation (hereinafter referred to as the "Successor Entity"); and upon such assignment the Successor Entity shall have those rights and be subject to those duties assigned thereby and shall be deemed to have agreed to be bound by the appropriate provisions hereof to the same extent as if the Successor Entity had been an original party to the Declaration. Any such assignment shall be accepted by the Successor Entity under a written agreement pursuant to which the Successor Entity expressly assumes the duties and obligations thereby assigned.

(b) If for any reason the Association shall cease to exist without having first assigned its rights hereunder to a Successor Entity, the covenants, restrictions, easements, charges and liens imposed hereunder shall nevertheless continue; and any Owner or Resident may petition a court of competent jurisdiction to have a trustee appointed for the purpose of organizing a non-profit membership corporation and assigning the rights hereunder with the same force and effect and subject to the same conditions, as provided in this Section 10,03 with respect to an assignment and delegation to a Successor Entity.

(c) Any assignment or delegation of rights shall be subject to the approval of two-thirds (2/3) of the Class A Members.

Section 10.06. Indemnification. The Association shall indemnify every Officer and Director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any Officer or Director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the then-Board of Directors) to which he or she may be a party by reason of being or having been an Officer or Director. The Officers and Directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The Officers and Directors shall have no personal liability with respect Co any contract or other commitment made by them in good faith on behalf of the Association

(except to the extent that such Officers or Directors may also be members of the Association), and the Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Officer or Director, or former Officer or Director, may be entitled. The Association shall, as a common expense, maintain adequate general-liability and officers'-and-directors¹-liability insurance to fund this obligation.

Section 10.07. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion or portions of the Common Area adjacent thereto or as between adjacent Units due to the unwillfull placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than one (1) foot, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Area or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, that in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, Tenant, or the Association.

Section 10.08. Easements for Utilities, Etc. .There is hereby reserved the power to grant easements upon, across, over, and under all of the Common Area for ingress, egress, installation, replacing, repairing, and maintaining master television-antenna systems, security, and similar systems, and all utilities, including, but not limited to, water, sewers, telephones, and electricity. The Association Board shall, upon written request, grant such easements as may be reasonably necessary for the development of any Property. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities maybe installed or relocated on the Common Area except as may be approved by the Association's Board of Directors or as provided in the development and sale of the property by the Developer.

Section 10.09. Headings. The headings of the Articles and Sections hereof are for convenience only and shall not affect the meaning or interpretation of the contents of this Declaration.

Section 10.10. Gender. Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter; and the singular, the plural, and vice versa.

Section 10.11. Effect of Violation Declaration on Mortgage. No violation of this Declaration shall defeat or render invalid the lien of any mortgage made in good faith and for value upon any portion of the Property; provided, however, that any mortgagee in possession or any purchaser at any foreclosure sale or any person in a similar position shall be bound and subject to this Declaration as fully as any other Owner of any portion of the Property.

Section 10.12. Notices. Any Notice given or required to be sent pursuant to this Declaration shall be deemed Co have been properly given, unless other requirements are specifically made in any provision hereof, when mailed, postpaid, to the last known address of the person to whom notice is to be given. All papers and instruments required to be filed with or submitted to the Association shall be delivered personally or sent by registered mail to: Stonefield Community Association, Inc., c/o The South Atlantic Life Insurance Company, 1156 King Street, Charleston, SC 29403, or to such other address as the Association may designate by written notice to Owners.

Section 10.13. Local Laws Not Superseded. This Declaration shall not be construed as permitting any action prohibited by applicable zoning laws or by the laws, rules or regulations of any

governmental body or by any deed or lease. In the event of any conflict, the most restrictive provision of such laws, rules, regulations, deeds, leases or this Declaration shall govern and control.

Section 10.14. Construction. The Association Board shall have the right to construe the provisions of this Declaration; and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, such construction shall be final and binding as to all persons and entities benefited or bound by the provisions of this Declaration.

Section 10.15. Lease of a Unit. No Owner of a Unit shall lease to another any such Unit or part thereof unless such Lease shall be in writing and shall expressly provide that the terms of such Lease shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation, By-Laws and Regulations of the Association, and the Declaration of Covenants, Conditions, Restrictions and Easements for the applicable Subdivision, and that failure by the lessee to comply with the terms of such documents shall be a default under such Lease.

IN WITNESS WHEREOF, Stonefield, A Partnership, has caused these presents to be executed in its name and its seal hereunto affixed as of the day and year first above written.

SIGNED, SEALED AND DELIVERED STONEFIELD, A PARTNERSHIP

s/ Karen D. Greene

By: s/ John D. Whittemore
John D. Whittemore, Attorney-in-fact

s/ Ruth P. Orvin

By: s/ John W. Orvin
John W. Orvin, Attorney-in-fact

This Page intentionally left blank

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

APPLICABLE TO

STONEFIELD SUBDIVISION, PHASE I, SINGLE FAMILY SECTION

as recorded in the Office of the
Register of Mesne Conveyance for Charleston County in Book N126, page 59, and superceding
those covenants recorded in Book T124, page 367

STONEFIELD, A PARTNERSHIP

c/o The South Atlantic Life Insurance Company

1156 King Street, Charleston, SC 29403

TABLE OF CONTENTS

TO THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS

APPLICABLE TO STONEFIELD SUBDIVISION, PHASE I, SINGLE FAMILY SECTION

Land Subject to These Covenants Defined

Section
One
Two
Three
Four
Five
Six
Seven
Eight
Nine
Ten
Eleven
Twelve
Thirteen
Fourteen
Fifteen
Sixteen
Seventeen
Eighteen
Nineteen
Twenty
Twenty-One
Twenty-Two
Twenty-Three
Twenty-Four
Twenty-Five
Twenty-Six
Twenty-Seven
Twenty-Eight
Twenty-Nine
Thirty
Thirty-One
Thirty-Two
Thirty-Three
Thirty-Four
Thirty-Five
Thirty-Six

Definitions
Residential Use of Property
Setbacks and Building Lines
Architectural Control
Streetlights
Delivery Receptacles and Mail Boxes
Completion of Construction
Docks, Piers and Boathouses
Obstructions to View
Outbuildings
Sign Boards
Antenna
Mining
Air and Water Pollution
Disposition of Trash
Aesthetics, Fences, Screening, etc.
Animals
Prohibition of Commercial Use
Minor Agricultural Pursuits
Changing Elevations
Wells
Easements
Maintenance Required by Owner
Use of Sample Houses
Outside Drying and Laundering
Landscape Restrictions
Fireworks and Use of Firearms
Chemical Fertilizers, etc.
Prohibition Against Offensive Conduct
Parking Restriction and Use of Garage
Other Vehicle and Trailer Parking
Documents
Violation
Severability
Relocation of Streets, etc.
Duration and Amendment

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
APPLICABLE TO STONEFIELD SUBDIVISION PHASE
I, SINGLE FAMILY SECTION, CHARLESTON
COUNTY, SOUTH CAROLINA AND
SUPPLEMENTARY DECLARATIONS THERETO

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION PHASE I, SINGLE FAMILY SECTION, CHARLESTON COUNTY, SOUTH CAROLINA AND SUPPLEMENTARY DECLARATIONS THERETO, is made as of the day and year last below written, by Stonefield, A Partnership (hereinafter referred to as the "Developer").

WITNESSETH:

WHEREAS, the Developer, having acquired the fee interest in the real property herein described, established a DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION PHASE I, SINGLE FAMILY SECTION, CHARLESTON COUNTY, SOUTH CAROLINA, dated February 6, 1981, and recorded in the Office of the Register of Mesne Conveyances of Charleston County in Book T 124, page 367; and

WHEREAS, the Developer retained the absolute right to amend the aforesaid declaration of covenants, conditions, restrictions and easements unilaterally and in its sole discretion and on its own motion until December 31, 1986; and

WHEREAS, the Developer desires to amend said DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION PHASE I, SINGLE FAMILY SECTION, CHARLESTON COUNTY, SOUTH CAROLINA, and evidences that such changes are best accomplished by restating the same,

NOW, THEREFORE, for and in consideration of the premises and the benefits to be derived by the Developer and each and every owner and subsequent owner of any of the property in Stonefield Subdivision Phase I, Single Family Section, the Developer does hereby amend the DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION PHASE I, SINGLE FAMILY SECTION, as recorded in the R.M.C. Office for Charleston County, South Carolina, in Book T 124, page 367, by deleting the same in its entirety and substituting in lieu thereof as follows:

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
APPLICABLE TO STONEFIELD SUBDIVISION, PHASE I, SINGLE FAMILY SECTION

WHEREAS, STONEFIELD, A PARTNERSHIP, referred to herein as the "Developer", is the owner of certain lands located within a Planned Unit Development known as Stonefield and has determined to develop therein a neighborhood of single-family residential housing; and

WHEREAS, the Developer desires to impress appropriate covenants, conditions, restrictions, and easements upon such portion of Stonefield for the purpose of protecting the value and desirability of said lands;

NOW, THEREFORE, the Developer for and in consideration of the premises and other good and valuable consideration does hereby declare that the covenants contained herein shall be covenants running with the land and shall apply to that real property described herein and such additions thereto as may hereinafter be made pursuant to the terms hereof; and said property shall be held, transferred, sold, conveyed, given, donated, leased, occupied, and used subject, among others, to the covenants, restrictions, conditions, easements, charges, affirmative obligations, and liens, hereinafter referred to as the "Covenants", as herein set

forth.

Section One. Lands Subject to These Covenants Defined. The real property which is and shall be held, transferred, sold, conveyed, leased, and occupied, subject to these Covenants, is located in Charleston County, South Carolina, Stonefield Subdivision, Phase I, Single Family Section, and encompasses those Lots as hereinafter set forth as are shown on the Plat of Harold F. Leamond, entitled "Plat of Stonefield Subdivision Phase I, Located on Secessionville Road, James Island, Charleston County, South Carolina", dated May 21, 1980, and having latest revision date of March 9, 1981, and recorded in the Office of the Register of Mesne Conveyances for Charleston County in Plat Book AS, page 55, and made a part hereof by reference (hereinafter referred to as "Plat"); the Lots subject to these Covenants are shown thereon and designated as Block A and numbered sequentially as Lots 1 through 37 and Block B and numbered sequentially as Lots 1 through 6. Nothing contained in these Covenants imposes nor should be interpreted to impose any restriction, condition, limitation, or easement upon any land owned by the Developer other than that described hereinabove.

Section Two. Definitions.

a) "Association" shall mean and refer to Stonefield Community Association, Inc., a non-profit corporation which the Developer has caused to be incorporated for the purpose of providing a vehicle for the orderly development and preservation of the values of the community of Stonefield of which the Stonefield Single Family Residential Subdivision Phase I is a part thereof.

b) "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations, partnerships or other legal entities of the fee simple title to any Lot, but notwithstanding any applicable theory of a mortgage, the term "Owner" shall not mean or refer to

any person having an interest merely as security for the performance of an obligation-

c) "Lot" shall mean any Lot subject to these Covenants as set forth in Section One hereof and shall include any dwelling thereon when the context requires such construction.

d) Other terms used herein and denoted by capitalization thereof, shall be given the same meaning as defined in the Declaration of Covenants, Restrictions, Easements, Charges and Liens for Stonefield Community recorded in the R.M.C. office for Charleston County in Book N126, page 59 (herein referred to as the "Declaration") unless the context of use would require otherwise.

Section Three. Residential Use of Property. All Lots shall be used for residential purposes only, and no Structure shall be erected, placed, altered, or permitted to remain on any Lot other than one single-family dwelling, not more than two and one-half stories in height, and any accessory' Structures customarily incident to the residential use of such Lots.

Section Four. Setbacks and Building Lines. No building shall be located on any Lot nearer to the front .Lot line than thirty (30*) feet' or nearer to a side or rear Lot line than ten (10') feet. The following additional provisions concerning setbacks shall apply.

a) Flexibility. The minimum setbacks are not intended to engender uniformity of setbacks. They are meant to avoid overcrowding. It is the Developer's intent that setbacks shall be staggered where appropriate so as to preserve important trees, and assure vistas of flora and open areas. The Developer reserves the right for the ARB to alter the setback requirements for any Lot where the ARB deems such appropriate and to select the precise site and location of each house or other structure on each Lot and to arrange the same in such manner and for such reasons as the ARB shall deem sufficient.

b) Swimming Pools. Swimming pools shall not be nearer than ten (10') feet to any Lot line (and must be located to the rear of the main dwelling) and shall not project with their coping more than two (2') feet above the established Lot grade.

c) Minor Deviations. Any deviation from the building line requirements set forth herein not in excess of ten (10%) percent thereof shall not be construed to be violation of said building line requirements.

d) Subdivision of Lots. No portion of any Lot shall be sold or conveyed except in the case of a vacant Lot the same may be divided in any manner between the Owners of the Lots abutting each side of same. Also, two contiguous Lots, when owned by the same party, may be combined to form one single building Lot. In either of the two instances cited above, the building line requirements as provided herein shall apply to such Lots as combined. Nothing herein shall be construed to allow any portion of any Lot so sold or conveyed to be used as a separate building Lot. No Lot shall be split, divided or subdivided for sale, resale, gift, transfer or otherwise without consent of the ARB except as provided for in this section.

e) Corner Lots. In the case of a corner Lot, the house may be placed diagonally across the Lot so as to face the corner of any two streets or a circle no nearer than fifteen (15') feet to any street line, unless otherwise approved in writing by the ARB. In all other instances, the front line of any corner Lot shall be the shorter of the two property lines along the intersecting two streets.

f) Porches and Eaves. For the purpose of determining compliance or noncompliance with the foregoing building line requirements porches, terraces, stoops, eaves, wingwalls, and steps extending beyond the outside wall of a Structure shall not be considered as a part of the Structure. The location of such Structure shall be approved by the ARB, but in no event shall any Structure be closer than five (5') feet from any property line.

Section Five. Architectural Control. No construction, reconstruction, remodeling, alteration, or addition to any Structure, building, fence, wall, driveway or improvement of any nature shall be commenced without obtaining the prior written approval of the Architectural Review Board, sometimes herein referred to as the "ARB", as to location, plans and specifications.

As a prerequisite to consideration for approval, and prior to beginning the contemplated work, a complete, set of building plans and specifications shall be submitted to the ARB in such form and include such content as specified in the Association Declaration and the Architectural Guidelines. The Architectural Review Board shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations. Upon given approval, construction shall be started and prosecuted to completion, promptly, and in strict conformity with such plans. The Architectural Review Board shall be entitled to stop any

construction in violation of these Covenants in accordance with Section Thirty-four hereof. No previously approved Structure shall be used for any purpose other than for which it was originally approved.

In addition to the Architectural Guidelines, and not as any limitation thereof, the following restrictions shall be applied to the lands subject to these Covenants as defined in Section One hereof.

a) The exterior color scheme Shall be regulated by the Architectural Review Board and specified in the Architectural Guidelines.

b) The exterior finish of all Structures shall be regulated by the Architectural Review Board. The same materials utilized for the exterior and roof of the residence shall also be used for the garage or other buildings erected on the Lot.

c) Fences may be erected on the Lots, extending from the rear corners of a dwelling around the rear of a Lot and shall not exceed six (6') feet in height; provided, however, that the portion of a fence facing a street shall be of an ornamental nature, consisting of wood, brick, or chain link. All fences must be approved, in writing, by the Architectural Review Board.

d) No Lot Owner shall change the elevation of his Lot in such a way as to adversely affect adjacent Lots.

e) No live oak tree over six (6") inches in diameter measured at a height of five (5¹) feet above grade shall be removed unless specifically approved by the ARB. No tree of any other kind larger than six (6") inches in diameter measured at a height of five (5¹) feet above grade shall be removed unless it falls in the area occupied by the proposed building, patio, or driveway or within two (2¹) feet of said area. ;

f) The dwelling shall not be more than two and one-half stories in height and contain the minimum dwelling area as specified in the Architectural Guidelines.

g) Each dwelling shall be harmonious and compatible with surrounding Structures and topography.

h) All receptacles for the receipt of mail shall be as approved by the ARB pursuant to Section Ten hereof and shall be included as part of the building plans.

i) Each dwelling shall have affixed thereto a prominent display of the appropriate house number in a manner prescribed by the ARB in the Architectural Guidelines.

Section Six. Streetlights. A monthly fee, as prescribed and approved by the South Carolina Public Service Commission, will be added to the electric bill of each Owner for street lighting.

Section Seven. Delivery Receptacles and Mail Boxes. Receptacles for the receipt of mail shall be approved by the Post Office Department and in writing by the ARB. Said

receptacles shall be of uniform construction and appearance as prescribed by the ARB and shall be erected in a manner approved by the ARB and at such location as the ARB may in its discretion designate. The ARB may, upon approval of the Post Office Department, cluster mail receptacles in such location as the ARB may, in its discretion, deem appropriate.

No receptacle or any construction or height for the receipt of newspapers or similar delivered materials shall be erected or permitted except as approved in writing by the ARB.

Section Eight. Completion of Construction. The exterior of all homes and other Structures must be completed within six (6) months after the date of the construction of same shall have commenced, unless otherwise extended by the ARB except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamity. In any event, no home or Structure may be occupied or used until the exterior has been completed.

Section Nine. Docks, Piers and Boathouses. No boathouses, docks, piers or wharfs shall be constructed at any residential Lot.

Section Ten. Obstruction to View at Intersection and Delivery Receptacles. The lower branches of trees or other vegetation in sight line approaches to any street or street intersections shall not be permitted to obstruct the view of same.

Section Eleven. Use of Outbuildings and Similar Structures. No Structure of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, shack, tent, garage, barn or other Structure of a similar nature shall be used as a residence, either temporarily or permanently. Sheds or other temporary Structures may be used during construction provided that they be approved in writing by the ARB and provided further, that such sheds or structures are not used as a temporary residence.

Section Twelve, Sign Boards. No sign boards shall be displayed except "For Rent" and "For Sale" signs, which signs shall not exceed six (6') square feet in size. No more than two (2) signs shall be displayed on one Lot at the same time. All signs must be of a design and location approved by the Architectural Review Board.

Section Thirteen Antenna. No radio or television transmission towers or antenna shall be erected within the restricted property and only the customary receiving antenna which shall in no event exceed ten (10') feet" in height above the roof ridge line of any house is allowed*

Section Fourteen. Mining. No Lot or portion thereof shall be used for any mining, boring, quarrying, drilling, removal of, or any other exploitation of subsurface natural resources with the sole exception of subsurface water.

Section Fifteen- Air and Water Pollution. No use of any Lot (other than the normal use of residential fireplaces and residential chimneys) will be permitted which emits pollutants into the atmosphere, or discharges liquid or solid wastes or other harmful matter into any waterway in excess of environmental standards applicable thereto, to be established by the ARB, which standards shall at a minimum meet the requirements of federal and state law and any regulations thereunder applicable to the Property. No waste or any substance or materials of any kind shall be discharged into any private or public sewer serving the Property, or any part thereof, in

violation of any regulations of the State of South Carolina or any private or public body having jurisdiction. No person shall dump garbage, trash or other refuse into any waterway on or immediately adjacent to the Property.

Section Sixteen. Disposition of Trash and Other Debris. Trash» garbage or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of a Lot or the Property other than in the receptacle customarily used therefor which, except on the scheduled day for trash pickup, shall be located only in a garage or patio. At all other times such containers shall be stored in such a manner that they cannot be seen from adjacent and surrounding property» No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except building materials during the course of construction for a period not to exceed 180 days (commencing from day one of the first delivery of any of such materials) for any approved Structure, unless such materials are screened from view in a manner approved by the ARB. During the course of construction, it shall be the responsibility of each Owner to ensure that construction sites are kept free of unsightly accumulation of rubbish and scrap materials, and that construction materials, trailers, shacks and the like are kept in a neat and orderly manner. No burning of any trash and no accumulation or storage of litter or trash of any kind shall be permitted on any Lot.

Section Seventeen. Aesthetics, Nature Growth, Fences, Screening, Underground Utilities Service. No nature growth or flora shall be intentionally destroyed and removed, except with the prior written approval of the ARB without which the Association may require the Lot owner, at his cost, to replace the same. Garbage cans, equipment, coolers, or storage piles shall be walled in to conceal them from the view of neighboring Lots or streets. All residential utility service and lines to residences shall be underground. All fuel tanks must be buried or walled from view, as aforesaid. No fences, awnings, ornamental screens, screen doors, sunshades or walls of any nature shall be erected or maintained on or around any portion of any Structure or elsewhere within a Lot, easement or other Common Area as so designated, except such as are installed in accordance with the original construction of the Lots, and any replacement thereof, or as are authorized and approved by the ARB.

Section Eighteen. Animals. No animals, reptiles, rodents, birds, fish, livestock or poultry shall be* raised, bred, or maintained on any Lot, except that domestic dogs, cats, fish and birds inside bird cages, may be kept as household pets within any Structure upon a Lot, provided they are not kept, bred, raised therein for commercial purposes, or in unreasonable quantities. As used in these Covenants, "unreasonable quantities" shall be deemed to limit -the total number of all dogs, cats and birds to two (2) per Lot. All pets must be under the control of a responsible person and obedient to that person's command at any time they are permitted outside a house or other dwelling or enclosed area.

Section Nineteen. Prohibition of Commercial Use. No trade or business of any kind or character nor the practice of any profession, nor any building or Structures designed or intended for any purpose connected with any trade, business, or profession shall be permitted upon any Lot.

Section Twenty. Minor Agricultural Pursuits. Minor agricultural pursuits incidental to residential use o-f the Lots shall be permitted provided that such pursuits may not include the raising of crops intended for marketing or sale to others.

Section Twenty-One. Changing Elevations. No Lot shall be excavated or earth extracted therefrom for any business purpose- No elevation changes shall be permitted which materially affects surface grade of surrounding Lots.

Section Twenty-Two. Wells. No individual water supply system shall be permitted except for irrigation, swimming pools or other non-domestic use.

Section Twenty-Three. Easements. In addition to those easements shown on the said Plat, and not as any limitation thereof, an easement on each lot is hereby reserved by the Developer for itself and its agents, designees, successors and assigns along, over, under and upon a strip of land ten (10') feet in width, parallel and contiguous with each side Lot line, and along, over, under and upon a strip of land ten (10¹) feet in width, parallel and contiguous with the rear line of each Lot, in addition to such other easements as may appear on the Plat hereinabove referred to. The within reserved easements consist of a strip of land twenty (20') feet in width, ten (10') feet on either side of the rear and side Lot lines, and may be encompassed within larger easements of record. The purpose of these easements shall be to provide, install, maintain, construct, and operate drainage facilities, now or in the future, and utility service lines to, from, or for each of the Lots. Within these easements no Structures, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of. flow of drainage channels in such easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner, except for those improvements for which a public authority or utility company is responsible. For the purpose of this covenant, the Developer reserves the right to modify or extinguish the easement, herein reserved along any Lot lines when in its sole discretion, adequate reserved easements are otherwise available for the installation of drainage facilities or utility service lines. For the duration of these Covenants, no such utilities shall "be permitted to occupy or otherwise encroach upon any of the easement areas reserved, without first obtaining the prior written consent of the Developer; provided, however, local service from utilities within easement areas to residences constructed upon any such Lots may be established without first obtaining separate consents therefore from the Developer.

Section Twenty-Four- Maintenance Required by Owner. Each Owner shall keep all Lots owned by him, and all improvements therein or -thereon, in good order and repair, including but not by way of limitation, the seeding, watering, and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as in consistent with safety and good property management.

Section Twenty-Five. Use of Sample Houses. The Developer, during such time as it shall continue to be the owner of any Lot, may use its Lots for the purpose of building thereon a sample house or sample houses, and/or sales information center, which may be exhibited to the public and to which the Developer shall be entitled to invite the public to inspect the said sample house or houses and from which the Developer may disseminate to the public sales information in Stonefield Subdivision. Such activities shall not be construed as a violation of the residential provisions of these covenants.

Section Twenty-Six. Outside Drying and Laundering. No clothing or household fabrics shall be hung in the open on any Lot unless the same are hung from an

umbrella or retractable clothes hanging device which is removed from view when not in use.

Section Twenty-Seven. Landscape Restrictions. No tree having a diameter of six (6") inches or more (measuring from a point five (5¹) feet above ground level) shall be removed from any Lot without the express written authorization of the ARB.

Section Twenty-Eight. Fireworks and Use of Firearms.. The sale and use of fireworks of any kind whatsoever on the Property is prohibited» The use of or discharge of firearms of any kind whatsoever is prohibited. Hunting of <3ny kind, and by any method, including but not limited to firearms, traps, snares, bow and arrows, or manually propelled missiles is prohibited-

Section Twenty-Nine. Chemical Fertilizers , Pesticides &Herbicides No commercial chemical fertilizers, pesticides, or herbicides other than those approved by the Association shall be used on any Lot or any portion of the Property. This provision in no way limits the use of those products which are readily available for consumer use and approved by an agency, such as the Food and Drug Administration, for the purpose intendeds

Section Thirty.. Prohibition Against Offensive Conduct or Nuisance. No noxious or offensive activity shall be carried on upon any Lot described in Section One hereof, nor shall anything be do-ne thereon tending to cause embarrassment, discomfort» annoyance or nuisance to the neighborhood. There shall not be maintained, any plants or animal, or device or any thing of any sort whose normal activities or existence will in any way diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof.

Section Thirty-One. Parking Restrictions and Use of Garage. No automobiles shall be parked or left on any street overnight or on any property subject to these Covenants other than on or within a garage» or driveway.

Section Thirty-Two. Other Vehicle and Trailer Parking. No trailer,' trailer house, recreational vehicle, mobile home, or habitable motor vehicle of any kind, boat or boat trailer, school bus\ truck (other th/"m "vans'^ or "pick-ups^of less than one-half ton) or commercial vehicle shall be brought upon or habitually parked overnight, whether on any street or on any lot. This shall not be construed to prohibit a mere temporary standing or parking of a trailer, boat, or trailer house, recreation vehicle, or mobile home for short periods preparatory to taking same to some other location for use or storage. No such vehicle shall be openly stored in any area other than that designated by the Association for the purpose of storage. Nothing contained herein shall be considered to prohibit the use of portable or temporary buildings or trailers as field offices by contractors during actual construction in Stonefield Subdivision Phase 1, Single Family Section.

Section Thirty-Three. Documents. All papers and instruments required to be filed with or submitted to the Association or the ARB shall be delivered personally or sent by Registered Mail to Stonefield, c/o The South Atlantic Life Insurance Company, 1156 King Street, Charleston, SC 29403, or to such other address as the Association may from time to time designate,

Section Thirty-Four.. Violation. If any person, firm or corporation shall violate or attempt to violate any said restrictions, it shall be. lawful for any person, firm or corporation owning any of the Lots or having any interest therein, to prosecute any proceeding at law or in equity against the person, firm or corporation violating or attempting to violate the same, and either

to prevent it or them from so doing or to recover damages or other dues for such violation. The party enforcing the Covenants shall be entitled to recover attorney's fees and expenses if he prevails.

In addition to the rights and remedies hereinabove enumerated, and not as any limitation thereof, if the Association Board determines that any provision of these Covenants has been violated, the Association Board may, in its discretion, seek appropriate relief at law or equity to assure that the purposes of these Covenants are fulfilled, including but not limited to those remedies specified in Article IX of the Association Declaration. Failure to enforce any of these Covenants shall not be deemed a waiver of the right to do so.

Section Thirty-Five. Severability. Invalidation of any of these Covenants shall in no way affect the validity or enforceability of the other Covenants, which will remain in full force and effect.

Section Thirty-Six. Relocation of Streets and Revision of the Plat. The Developer reserves the right unto itself, its successors and assigns, to relocate, open, or close streets shown upon the recorded subdivision plat and also reserves the right to revise, resubdivide, and change the size, shape, dimension, and location of Lots, and these restrictions shall be applicable to resulting Lots: provided, however, that **no such** revision shall adversely affect the overall subdivision plan and that no revision shall adversely affect any Lot value, as shall be determined by the Federal Housing Administration, and no Lot sold prior to such revision shall be deprived of that portion of any street on which it bounds, nor shall be deprived of that portion of any street on which it bounds, nor shall it be deprived of access from the streets of the subdivision, and, provided, further, that no Lot shall have any area less than the smallest Lot shown on said recorded subdivision Plat.

Section Thirty-Seven. Duration and Amendment. These Covenants bind all persons claiming any interest in the land and run with the land for a period of twenty (20) years from the date of recording, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the Owners (multiple Owners of a single Lot shall have One (1) vote among them) of Lots has been recorded terminating the Covenants.

Amendment shall be by a written instrument signed by a majority of the Owners (multiple Owners of a single Lot shall have one (1) vote among them, and the Developer shall have one (1) vote for each Lot it owns), provided, however, that the proposed amendment shall first be approved by a majority of the Board of Directors of the Association. Upon proper execution, the instrument shall be filed in the Office of the Register of Mesne Conveyances of Berkeley County. So long as the Developer has the right to amend these Covenants by casting a majority of said votes, no amendment shall be made without first obtaining the approval of the Veteran's Administration and the Federal Housing Administration. Such VA/FHA approval shall be conclusively established by appendage to the recorded instrument of an affidavit by the Developer stating that prior FHA/VA approval has been granted.

IN WITNESS WHEREOF, Stonefield, A Partnership, has caused these presents to be executed in its name and its seal affixed hereto as of this 1st day of September, 1981.

SIGNED, SEALED AND DELIVERED
STONEFIELD, A PARTNERSHIP IN THE PRESENCE OF:

IN WITNESS WHEREOF, Stonefield, A Partnership, has caused these presents to be executed in its name and its seal hereunto affixed as of the day and year first above written.

SIGNED, SEALED AND DELIVERED STONEFIELD, A PARTNERSHIP

s/ Karen D. Greene

By: s/ John D. Whittemore
John D. Whittemore, Attorney-in-fact

s/ Ruth P. Orvin

By: s/ John W. Orvin
John W. Orvin, Attorney-in-fact

This Page intentionally left blank

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND

EASEMENTS APPLICABLE TO

STONEFIELD SUBDIVISION, PHASE I, PATIO SECTION A, Charleston,

South Carolina

as recorded in the Office of the
Register of Mesne Conveyance for Charleston County in Book N126, page 60, and
superceding those covenants recorded in Book T124, page 368

STONEFIELD, A PARTNERSHIP

c/o The South Atlantic Life Insurance Company 1156 King Street,
Charleston, SC 29403

TABLE OF CONTENTS

TO THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO **STONEFIELD** SUBDIVISION, PHASE I, PATIO SECTION A

	SECTION
One	Land Subject to These Covenants Defined
Two	Definitions
Three	Subdivision Common Property
Four	Residential Use of Property
Five	Setbacks and Building Lines
Six	Subdivision of Lots
Seven	Designation of Patio Wall Lines
Eight	Architectural Control
Nine	Streetlights
Ten	Delivery Receptacles and Mailboxes
Eleven	Completion of Construction
Twelve	Obstruction to View
Thirteen	Outbuildings
Fourteen	Signboards
Fifteen	Antenna
Sixteen	Offensive Conduct or Nuisance
Seventeen	Disposition of Trash
Eighteen	Aesthetics,
Nineteen	Nature Growth, Fences, Etc.
Twenty	Animals
Twenty-one	Prohibition of Commercial Use
Twenty-two	Agricultural Pursuits
Twenty-three	Changing Elevation
Twenty-four	Wells and Septic Tanks

Twenty-five	Easements
Twenty-six	Maintenance
Twenty-seven	Required Use of Sample Houses
Twenty-eight	Outside Drying and Laundering
Twenty-nine	Landscape Restrictions
Thirty	Fireworks and Firearms
Thirty-one	Chemical Fertilizers
Thirty-two	Mining
Thirty-three	Air and Water Pollution
Thirty-four	Parking Restrictions
Thirty-five	Documents
Thirty-six	Violation
Thirty-seven	Reserved Severability
Thirty-eight	Duration and Amendment

STATE OF SOUTH CAROLINA) COUNTY OF CHARLESTON)	AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION PHASE I, PATIO SECTION A, CHARLESTON COUNTY, SOUTH CAROLINA AND SUPPLEMENTARY DECLARATIONS THERETO
---	--

THIS AMENDMENT DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION PHASE I, PATIO SECTION A, CHARLESTON COUNTY, SOUTH CAROLINA AND SUPPLEMENTARY DECLARATIONS THERETO, is made as of the day and year last below written, by Stonefield, A Partnership (hereinafter referred to as the Developer).

WITNESSETH

WHEREAS, the Developer, having acquired the fee interest in the real property herein described, established a DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION PHASE I, PATIO SECTION A, CHARLESTON COUNTY, SOUTH CAROLINA, dated February 6, 1981, and recorded in the Office of the Register of Mesne Conveyances of Charleston County in Book T 124, page 368; and

WHEREAS, the Developer retained the absolute right to amend the aforesaid declaration of covenants, conditions, restrictions and easements unilaterally and in its sole discretion and on its own motion until December 31, 1986\$ and ^ •

WHEREAS, the Developer desires to amend said DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION PHASE I, PATIO SECTION A, CHARLESTON COUNTY, SOUTH CAROLINA, and evidences that such changes are best accomplished by restating the same,

NOW, THEREFORE, for and in consideration of the premises and the benefits to be derived by the Developer and each and every owner and subsequent owner of any of the property in Stonefield Subdivision Phase I, Patio Section A, the Developer does hereby amend the DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION PHASE I, SINGLE FAMILY SECTION, as recorded in the R.M.C. Office for Charleston County, South Carolina, in Book T 124, page 368, by deleting the same in its entirety and substituting in lieu thereof as follows:

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS APPLICABLE TO STONEFIELD SUBDIVISION, PHASE I, PATIO SECTION

A, CHARLESTON COUNTY, SOUTH CAROLINA

WHEREAS, STONEFIELD, A PARTNERSHIP, is the owner of certain lands located within a Planned Unit Development known as Stonefield and has determined to develop therein a neighborhood of residential patio homes known as Stonefield Subdivision, Phase I, Patio Section A\$ and

WHEREAS, the Developer desires to impress appropriate restrictions and to create certain easements upon such portion of Stonefield for the purpose of protecting the value and desirability of said lands;

NOW, THEREFORE, the Developer for and in consideration of the premises and other good and valuable consideration does hereby declare that the covenants contained herein shall be covenants running with the land and shall apply to that real property described herein; and said property shall be held, transferred, sold, conveyed, given, donated, leased, occupied, and used, subject, among others, to the covenants, restrictions, conditions, easements, charges, affirmative obligations, and liens, hereinafter referred to as the "Covenants", as herein set forth.

Section One. Lands Subject to These Covenants. The real property which is and shall be held,, transferred, sold, conveyed, leased, and occupied, subject to these Covenants, is located in Charleston County, South Carolina, and is known as Stonefield Subdivision, Phase I, Patio Section A. The said property is shown as patio lots on a portion of the plat made by Harold F. Leamond, P.E. and L.S, dated May 21, 1980, and having latest revision date of March 9, 1981, entitled "Plat of Stonefield, Subdivision Phase I, Located on Secessionville Road, James Island, Charleston County, South Carolina" and recorded in the Office of the Register of Mesne Conveyances of Charleston County in Plat Book AS, page 55, and made a part hereof by reference (hereinafter referred to as "Plat" — a reduced copy of said Plat is attached hereto as Exhibit "A" on which the Patio Wall Lines are designated); being that property bounded on the east by Putnam Drive, Battery Haig Court, and Battery Kirby Court; and on the south by Stiles Bee Avenue, Battery Stevens Court, Battery Glover Court, Little David Court, and Swamp Angel Court; and on the west by Battery Wagner and Battery Weed Court; and on the north by that area designated as "Stonefield Subdivision Expansion Area". The said property ends at the street right-of-way in each instance and does not include any part of the streets. The Lots subject to these Covenants are those Lots designated as Patio Home Sites and are in the following numbered blocks and lettered as shown below:

BLOCK	<u>LOT</u>		BLOCK	<u>LOT</u>
	A-E		4	A-C
	A-N		5	A-E
	A-G		6	A-E
			7	A-E

Nothing contained in these Covenants imposes or should be interpreted to

impose any restriction, condition, limitation, or easement upon any lands owned by the Developer other than that described hereinabove. The Developer makes no representations or warranties as to whether any other land will be developed in Stonefield other than that described hereinabove.

Section Two. Definitions.

(a) "Association" shall mean or refer to Stonefield Community Association, Inc., a non-profit corporation which the Developer has caused or is about to cause to be incorporated for the purpose of providing a vehicle for the orderly development and preservation of the values of the community of Stonefield, which encompasses Stonefield Subdivision, Phase I, Patio Section A as a part thereof.

(b) "Developer" shall mean and refer to Stonefield, A Partnership, its successors and assigns.

(c) "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations, partnerships or other legal entities of the fee-simple title to any Patio Home Site; but notwithstanding any applicable theory of a mortgage, the term "Owner" shall not mean or refer to any person having an interest merely as security for performance of an obligation.

(d) "Patio Home" shall mean a detached, single-family dwelling unit having a patio wall as one of its exterior walls.

(e) "Patio Home Site" shall mean a Lot upon which a Patio Home is built.

(f) "Patio Wall" shall mean a wall extending from the foundation to the roof of a Patio Home and having no doors, windows, or other openings which allow a passage of persons or view through the wall.

(g) "Patio Wall Line" shall mean a Lot boundary line with reference to which a Patio Wall is located. The Patio Wall Line for each Lot is designated on Exhibit "A"; and such designation shall be changed only with the written consent of the Developer and the adjoining property Owners on both sides, and such writing shall be recorded in the Office of the Register of Mesne Conveyances for Charleston County. The Patio Wall Lines for a complete cul-de-sac may be changed by the Developer when in its discretion such changes are appropriate to accommodate the topography or design of the Patio Homes to be constructed on the Patio Home Sites.

(h) Other terms used herein and denoted by capitalization thereof shall be given the same meaning as defined in the Declaration of Covenants, Restrictions, Easements, Charges and Liens for Stonefield Community (hereinafter the "Declaration"), as recorded in the R.M.C. Office for Charleston County, South Carolina, in Book N126, page 60 unless the context of use would require otherwise.

Section Three. Subdivision Common Property. Subdivision Common

Property, as defined in the Declaration, which is applicable to the Patio Home Sites, is that area defined in Section One hereof, excluding the Patio Home

Sites shown thereon, and in no instance including any road or street, and is labeled as Subdivision Common Property on the Plat. Each Owner shall be assessed a Subdivision Assessment for the maintenance thereof as provided for in the Declaration. The Subdivision Assessment shall not exceed the annual sum of fifty (\$50.00) dollars per Patio Home, such sum to be increased by an inflation adjuster as set forth in the Declaration.

Section Four. Residential Use of Property. All Lots subject to these Covenants shall be used for residential purposes only; and no Structure shall be erected, altered or permitted to remain on any Lot other than a single-family Patio Home and any accessory customarily incident to the residential use of such Lots. A Patio Home or an accessory building may contain a guest suite so long as such suite is not leased except as part of a lease of the entire premises.

Section Five. Setbacks and Building Lines. No Patio Home or accessory building shall be located on any Patio Home Site nearer to the front Lot line than ten (10') feet, except that: (1) on corner Lots, the setback line shall be five (5') feet from the side-street line which is the longer of the two property lines along the intersecting street, and (2) garages may be located not nearer than three (3') feet from the front Lot line. No building shall be located closer than three (3') feet from any side Lot line other than the Patio Wall line. No building shall be located closer than five (5') feet from the rear Lot line. The following additional provisions concerning setbacks shall apply:

(a) Flexibility. The minimum setbacks are not intended to engender uniformity of setbacks. They are meant to avoid overcrowding. The ARB vary the setback requirements • whenever this enables the preserving of important trees, whenever the tomography or configuration of any Lot so requires, or whenever undue hardship would result from strict adherence to the setbacks. The Developer reserves the right for the ARB to select the precise site and location of each Patio Home or other Structure on each Lot and to arrange the same in such manner and for such reasons as the ARB shall deem sufficient.

(b) Minor Deviations. Any deviation from the building-line requirements set forth herein, not in excess of ten (10%) percent thereof, shall not be construed to be violation of said building-line requirements.

(c) Patio Wall. The Patio Wall shall be of a height of not less than six (6') feet above grade and shall, unless specifically exempted by the ARB, extend five (5') feet in front and twenty (20') feet to the rear of any Patio Home constructed on the Patio Home Site. The Patio Wall shall be located so that its exterior surface, for its entire length, is not less than one (1') foot inside of and generally parallel to the Lot line designated by a triangle on Exhibit "A" attached hereto, except that where a drainage easement straddles a Patio Wall Line, the Patio Wall shall be located at the edge of the easement. No Patio Wall or privacy fence or screen shall come closer than ten (10') feet to the street upon which the Lot fronts. There shall be no setback requirement as to the back Lot line pertaining to the Patio Wall except that if a drainage, utility, or other easement runs along and inside of a back Lot

line, then the Patio Wall or privacy fence or screen shall terminate at the edge of such easement.

(d) Porches and Eaves. For the purpose of determining compliance or noncompliance with the foregoing building-line requirements, porches, terraces, stoops, eaves, wingwalls, and steps extending beyond the outside wall of a structure shall not be considered as a part of the Structure. The location of such Structures shall be approved by the ARB.

(e) Swimming Pools. Swimming pools shall not be nearer than five (5') feet to the rear Lot line, three (3') feet to the Patio Wall Line, or twelve (12') feet to the other side Lot line. The pool must be located to the rear of the main dwelling and shall not project with its coping more than two (2') feet above the established Lot grade.

Section Six. Subdivision or Combination of Patio Home Sites.

(a) Unless the Owners obtain the written consent of the ARB:

(1) No Lot shall be subdivided or have its lines changed, and

(2) no Lot or part of a Lot shall be combined with an adjacent Lot into one larger Patio Home Site. In any event, setback requirements shall apply with reference to any new Lot lines created by any such subdivision or combination.

(b) The Developer reserves the right to relocate, open and close streets; and the right to revise, resubdivide, and change the size, shape, dimensions, or location of Lots in the subdivision so long as no Lots as shown on the Plat referred to above shall be reduced in size by more than fifteen (15%) percent. The Covenants hereby imposed shall be applicable to the resulting Lots in lieu of the Lots shown on the Plat referred to above; but no Lot sold prior to such revision, relocation, or change shall be deprived of that portion of the street or streets on which it bounds, nor of access to and from the street.

Section Seven. Designation of New Patio Wall Line. The Patio Wall Line for each Lot is designated on Exhibit "A", and such designation shall be changed only with the written consent of Developer and the adjoining property owners on both sides, and such writing shall be recorded in the Office of the Register of Mesne Conveyances for Charleston County.

Section Eight. Architectural Control. No construction, reconstruction, remodeling, alteration, or addition to any Patio Home, Structure, building, fence, wall, driveway, or improvement of any nature shall be commenced without obtaining prior written approval of the Architectural Review Board, sometimes referred to herein as the "ARB", as to the location, plans and specifications.

As a prerequisite to consideration for approval, and prior to beginning the contemplated work, a complete set of building plans and specifications must be submitted to the Architectural Review Board. All plans and specifications shall be submitted in such form

and include such content as specified in the Association Declaration and the Architectural Guidelines. The Architectural Review Board shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations. Upon given approval, construction shall be started and prosecuted to completion, promptly and in strict conformity with such plans. The Architectural Review Board shall be entitled to stop any construction in violation of these Covenants in accordance with Section Thirty-five hereof. No previously approved Structure shall be used for any purpose other than that for which it was originally approved.

In addition to the Architectural Guidelines, and not as any limitation thereof, the following restrictions shall be applied to the lands subject to these Covenants as defined in Section One hereof:

(a) Structures built or placed on Patio Home Sites shall not exceed sixty (60%) percent of the Lot or more than fifty (50%) percent if two (2) Lots have been combined into a single Patio Home Site.

(b) The exterior color scheme shall be regulated by the Architectural Review Board and specified in the Architectural Guidelines.

(c) The exterior finish of all Structures shall be regulated by the Architectural Review Board. The same materials utilized for the exterior and roof of the residence shall also be used for the garage or other buildings erected on the Patio Home Site.

(d) The Patio Wall shall be located as specified in Section Five (c) hereof. The Patio Wall shall be of a color and composed of materials similar or complementary to the materials of which the Patio Home is constructed; the view openings and access ways or passages of the proposed Patio Homes and any accessory buildings will be oriented in a direction other than toward the Patio Wall Line of the Lot. If a portion of the Patio Wall is offset or indented away from the Patio Wall Line, openings in said offset portion of Patio Wall may be permitted; provided, however, that a privacy fence or screen as described herein shall be erected. Said opening shall be no higher than the said privacy fence or screen. The proposed Patio Wall's height and length (which, at the minimum, shall not be less than the depth of the Patio Home—including its garage, carport, terraces, decks, guest house or suite, and porches—as measured at its deepest point) shall be sufficient to ensure privacy to the occupants of the adjacent Patio Home having view openings and access ways or passages directed toward such Patio Wall and the yard for which such Patio Wall serves as a backdrop; and to this same end, and to the extent that the shape of the Lot or Patio Home so requires, privacy fences or screens (of a color and composed of materials similar to or complementary with those of the Patio Wall and Patio home, having no view openings and access ways or passages, and the top of which is at least six (6') feet above grade) shall also be included in such plans.

(e) The design of the proposed Patio Home shall prevent the excessive discharge or runoff of rain water upon the adjacent Patio Home Site.

(f) No Lot Owner shall change the elevation of his Patio Home Site in such a way as to adversely affect adjacent Lots.

(g) No live oak tree over six (6") inches in diameter, measured at a height of five (5') feet above grade, shall be removed unless specifically approved by the ARB. No tree of any other kind larger than six (6") inches in diameter, measured at a height of five (5') feet above grade, shall be removed unless it falls in the area occupied by the proposed building, patio, or driveway or within two (2¹) feet of said area.

(h) Only the rear portion of a Patio Home Site may be enclosed by a fence. All fences must be of an ornamental nature and must be approved, in writing, by the Architectural Review Board.

(i) The Patio Home shall not be more than two (2) stories in height and contain the minimum dwelling area as specified in the Architectural Guidelines.

(j) Each Patio Home shall be harmonious and compatible with surrounding Structures and topography.

(k) All receptacles for the receipt of mail shall be as approved by the ARB pursuant to Section Ten hereof and shall be included as part of the building plans.

(1) Each Patio Home shall have affixed thereto a prominent display of the appropriate house number in a manner prescribed by the ARB in the Architectural Guidelines.

Section Nine. Streetlights. A monthly fee, as prescribed and approved by the South Carolina Public Service Commission, will be added to the electric bill of each Owner for street lighting.

• Section Ten. Delivery Receptacles and Mailboxes. Receptacles for

the receipt of mail shall be approved by the Post Office Department and in writing by the ARB. Said receptacles shall be of uniform construction and appearance as prescribed by the ARB and shall be erected in a manner approved by the ARB and at such location as the ARB discretion, designate. The ARB may, upon the approval of the Post Office Department, cluster mail receptacles in such location as the ARB may, in its discretion, deem appropriate.

No receptacle of any construction or height for the receipt of newspapers or similar delivered materials shall be erected or permitted except as approved in writing by the ARB.

Section Eleven. Completion of Construction. The exterior of all Patio Homes and other Structures must be completed within six (6) months after the date of construction of same shall have commenced, unless otherwise extended by the ARB or its designated representative, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency, or natural calamity. In any

event, no Patio Home or other Structure may be occupied or used until the exterior has been completed.

Section Twelve. Obstruction to View at Intersection and Delivery

Receptacles. The lower branches of trees or other vegetation in sight-line approaches to any street or street intersections shall not be permitted to obstruct the view of same.

Section Thirteen. Use of Outbuildings and Similar Structures. No Structure of a temporary nature shall be erected or allowed to remain on any Patio Home Site; and no trailer, shack, tent, garage, barn, or other Structure of a similar nature shall be used as a residence, either temporarily or permanently, provided this Section shall not be construed to prevent the use of sheds or other temporary Structures during construction. The use of sheds during construction must be approved in writing by the ARB.

Section Fourteen. Signboards. No signboard shall be displayed except "For Rent" and "For Sale", which signs shall not exceed six (6 ft.) square feet in size. No more than two (2) signs shall be displayed on one Patio Home Site at the same time. All signs must be of a design and location approved by the Architectural Review Board.

Section Fifteen. Antenna. No radio or television transmission towers or antenna shall be erected within the restricted property; and only the customary receiving antenna, which shall never exceed ten (10') feet in height above the roof-ridge line on any house, is allowed.

Section Sixteen. Prohibition Against Offensive Conduct or Nuisance. No noxious or offensive activity shall be carried on upon any Patio Home Site, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the neighborhood. There shall not be maintained any plants or animals, or device or thing of any sort, whose normal activities or existence will in any way diminish or destroy the enjoyment of other property in the neighborhood by the Owners thereof. •

Section Seventeen. Disposition of Trash and Other Debris. Trash, garbage, or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of a Patio Home Site or the Common Areas other than in the receptacles customarily used therefore which, except on the scheduled day for trash pickup, shall be stored in such a manner so that they cannot be seen from adjacent and surrounding property.

No rubbish, debris, junk, or wrecked or inoperable motor vehicles shall be allowed to remain on any Lot, except temporarily while awaiting pickup by governmental or private removal service.

No lumber, metals, bulk materials, refuse, or trash shall be kept, stored, or allowed to accumulate on any Lot, except building materials during the course of construction for a period not to exceed one hundred eighty (180) days (commencing from day one of the first delivery of any such materials) for any approved Structure, unless such materials are

screened from view in a manner approved by the Architectural Review Board. During the course of construction, it shall be the responsibility of each Owner to ensure that construction sites are kept free of unsightly accumulation of rubbish and scrap materials and that construction materials, trailers, shacks, and the like are kept in a neat and orderly manner. No burning of any trash and no accumulation or storage of litter or trash of any kind shall be permitted on any Lot.

Section Eighteen. Aesthetics, Nature Growth, Fences, Screening, Underground Utilities Service. No nature growth or flora shall be intentionally destroyed or removed, except with the prior written approval of the ARB, without which the ARB may require the Lot owner, at his cost, to replace the same. Garbage cans, equipment, coolers, or storage piles shall be walled in to conceal them from the view of neighboring Lots or screens. All residential utility service and lines to residences shall be underground. All fuel tanks must be buried or walled from view. No fences, awnings, ornamental screens, screen doors, sunshades, or walls of any nature shall be erected or maintained on or around any portion of any structure or elsewhere within a Patio Home Site, Easement Area, or other Common Area as so designated, except such as are installed in accordance with the original construction on the Patio Home Site or any replacement thereof, or as authorized and approved by the ARB.

Section Nineteen. Animals. No animals, reptiles, rodents, birds, fish, livestock, or poultry shall be raised, bred, or maintained on any Lot, except that domestic dogs, cats, fish, and birds inside birdcages may be kept as household pets within any Structure upon a Patio Home Site, provided they are not kept, bred, or raised therein for commercial purposes or in unreasonable quantities. As used in these Covenants, "unreasonable quantities" shall be deemed to limit the total number of all dogs, cats, and birds to two (2) per Lot. All pets must be under the control of a responsible person and obedient to that person's command at all times they are permitted outside a house or other dwelling or enclosed area.

•

Section Twenty. Prohibition of Commercial Use. No trade or business of any kind or character, nor the practice of any profession, nor any building or Structures designed or intended for any purpose connected with any trade, business, or Profession shall be permitted upon any of the land as shown upon the said Plat.

Section Twenty-one. Minor Agricultural Pursuits. Minor agricultural pursuits incidental to residential use shall be permitted, provided that such pursuits may not include the raising of crops intended for marketing or sale to others.

Section Twenty-two. Changing Elevation. No Patio Home Site shall excavated or earth extracted there from for any business purpose. No elevation changes shall be permitted which materially affect surface grade of surrounding Lots.

Section Twenty-three. Wells and Septic Tanks. No individual water-supply system shall be permitted except for irrigation, swimming pools, or other non-domestic use. No septic tanks shall be installed on any Patio Home Site for sewage disposal.

Section Twenty-four. Easements.

(a) An easement on each Patio Home Site is hereby reserved by the Developer for itself and its agents, designees, successors, and assigns along, over, under, and upon a strip of land five (5') feet in width, parallel and contiguous with the rear or back Lot line of each Patio Home Site, and along, over, under, and upon a strip of land three (3') feet in width, running along and inside the side Lot line opposite the Patio Wall Line, in addition to such other easements as may appear on the Plat identified in Section One hereof. Larger easements of record may encompass the easements reserved herein. The purpose of these easements shall be to provide, install, maintain, construct, and operate drainage facilities, now or in the future, and utility-service lines to, from, or for each individual Patio Home Site. Within these easements, no Structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities or which may change the direction or flow of drainage channels in such easements. The easement area of each Patio Home Site and all improvements in it shall be maintained continuously by the Owner except for those improvements for which a public authority or utility company is responsible. For the purpose of this Covenant, the Developer reserves the right to modify or extinguish the easement herein reserved along any Patio Home Site lines when, in its sole discretion, adequate reserved easements are otherwise available for the installation of drainage facilities or utility service lines. For the duration of these restrictions, no such utilities shall be permitted to occupy or otherwise encroach upon any of the easement areas reserved without first obtaining the prior written consent of the Developer; provided, however, local service from utilities within easement areas to residences constructed upon any such Lots may be established without first obtaining separate consents therefore from the Developer.

(b) There shall be on each Patio Home Site a planting easement between the exterior of the Patio Wall (and any privacy fence or screen continuation of such wall) and the Patio Wall Line. Said planting easement shall run with the land in favor of the Owner of the adjacent Patio Home Site having view and access way or passages directed toward such Patio Wall and the yard for which such Patio Wall serves as a backdrop. The easement may be used by the Owner of such adjacent Patio Home Site only for the planting and care of shrubbery, flowers, and other plants and shall be used in a manner which neither interferes with the structural integrity of the Patio Home nor obstructs or diverts drainage flow in any drainage easement. The existence and use of this planting easement in no way lessens the responsibility of the burdened Patio Home Owner to maintain in good repair his Patio Wall and privacy fence.

(c) In order to facilitate an Owner working on his Patio Home, there shall be on each Patio Home Site a maintenance easement over a strip of land four (4') feet wide immediately adjacent to and running the length of the Patio Wall (plus any additional length needed to provide access to such strip) for use in the construction, maintenance, and repair of the Patio Home. Said maintenance easement shall extend only so far over the Patio Wall Line onto the adjacent Lot as is necessary to make the width of the easement four (4') feet, taking into account the number of feet his own Patio Wall is located from the Patio Wall Line. The use of said easement, which shall run with the land, shall not exceed a reasonable

period of time during construction nor a period of time in excess of a total of thirty (30) days each year for essential maintenance and repair. Any shrubbery or planting in the easement area that is removed or damaged during the use of such easement shall be replaced or repaired at the expense of the Owner causing such removal or damage.

Section Twenty-five. Maintenance Required by Owner. Each Owner shall keep all Patio Home Sites owned by him, and all improvements therein or thereon, in good order and repair, including, but not by way of limitation, the seeding, watering, and mowing of all lawns, the pruning and cutting of all trees and shrubbery, and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with safety and good property management•

Section Twenty-six. Use of Sample Houses. The Developer, during such time as it shall continue to be the Owner of any Patio Home Site shown upon the Plat, may use its Patio Home Site or Sites for the purpose of building thereon a sample house or sample houses, sales and information centers which may be exhibited to the public and which the Developer shall be entitled to invite the public for purposes of inspecting the said sample house or houses and disseminating to the public sales information in the Stonefield Subdivision, Phase I. Such activities shall not be construed as a violation of the residential provisions of these Covenants.

Section Twenty-seven. Outside Drying and Laundering. No exterior clothesline shall be erected or maintained; and there shall be no exterior drying or laundering of clothes on patios, porches, or other areas, outside of a Patio Home, other than umbrella or retractable type clothes-hanging devices which are removed from view when not in use.

Section Twenty-eight. Landscape Restrictions. No tree having a diameter of four (4") inches or more, measured from a point two (2') feet above ground level, shall be removed from any Patio Home Site without the express authorization of the Association.

Section Twenty-nine. Fireworks and Use of Firearms. The sale and use of fireworks of any kind whatsoever on the Property is prohibited. The use of or discharge of firearms of any kind whatsoever is prohibited. Hunting of any kind, and by any method, including, but not limited to, firearms, traps, snares, bow and arrows, or manually propelled missiles, is prohibited.

Section Thirty. Chemical Fertilizers, Pesticides, or Herbicides. No commercial chemical fertilizers, pesticides, or herbicides other than those approved by the Association shall be used on any portion of the Property. This provision in no way limits the use of those products which are readily available for consumer use and approved by an agency, such as the Food and Drug Administration, for the purpose intended.

Section Thirty-one. Mining. No Patio Home Site or portion thereof shall be used for any mining, boring, quarrying, drilling, removal of, or any other exploitation of subsurface natural resources, with the sole exception of subsurface water.

Section Thirty-two. Air and Water Pollution. No use of any Patio Home Site

(other than the normal use of residential fireplaces and residential chimneys) will be permitted which emits pollutants into the atmosphere or discharges liquid or solid waste or other harmful matter into any waterway in excess of environmental standards applicable thereto. No waste or any substance or materials of any kind shall be discharged into any private or public sewer serving the Property, or any part thereof, in violation of any regulations of the State of South Carolina or any private or public body having jurisdiction. No person shall dump garbage, trash, or other refuse into any waterway on or adjacent to the Property.

Section Thirty-three. Trailer and Vehicle Parking Restrictions. No truck having a load capacity of over one-half (1/2) ton, camper, trailer, recreational vehicle, boat, boat trailer, or canoe shall be parked regularly or temporarily on or in front of any Patio Home Site. It is the intention of the Developer to provide an off site parking area for said-type vehicles.

Section Thirty-four. Documents. All papers and instruments required to be filed with, or submitted to the Developer or the Association shall be delivered personally or sent by registered mail to Stonefield, c/o The South Atlantic Life Insurance Company, 1156 King Street, Charleston, SC 29403, or to such other address as the Developer or the Association may from time to time designate.

Section Thirty-five. Violation. If any person, firm, or corporation shall violate attempt to violate any of said restrictions, it shall be lawful for any person, firm, or corporation owning any of the Patio Home Sites or having any interest therein to prosecute any proceeding at law or in equity against the person, firm, or corporation violating or attempting to violate the same and to either prevent it or them from so doing or to recover damages or other dues for such violation. The party enforcing the Covenants shall be entitled to recover attorneys¹ fees and expenses if he prevails.

In addition to the rights and remedies hereinabove enumerated, and not as any limitation thereof, if the Association Board determines that any provision of these Covenants has been violated, the Association Board may, in its discretion, seek appropriate relief at law or equity to assure that the purposes of these Covenants are fulfilled, including, but not limited to, those remedies specified in Article IX of the Association Declaration. Failure to enforce any of these Covenants shall not be deemed a waiver of the right to do so.

Section Thirty-seven. Severability. Invalidation of any of these Covenants shall in no way affect the validity or enforceability of the other Covenants, which will remain in full force and effect.

Section Thirty-eight. Duration and Amendment. These Covenants bind all persons claiming any interest in the land and run with the land for a period of twenty (20) years from the date of recording, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the Owners (multiple Owners of a single Lot shall have One (1) vote among them) of Lots has been recorded terminating the Covenants.

Amendment shall be by a written instrument signed by a majority of the

Owners (multiple Owners of a single Lot shall have one (1) vote among them, and the Developer shall having one (1) vote for each Lot it owns), provided, however, that the proposed amendment shall first be approved by a majority of the Board of Directors of the Association. Upon proper execution, the instrument shall be filed in the Office of the Register of Mesne Conveyances of Berkeley County.

So long as the Developer has the right to amend these Covenants by casting a majority of said votes, no amendment shall be made without first obtaining the approval of the Veteran^ Administration and the Federal Housing Administration. Such VA/FHA approval shall be conclusively established by appendage to the recorded instrument of an affidavit by the Developer stating the prior FHA/VA approval has been granted.

IN WITNESS WHEREOF, Stonefield, A Partnership, has caused these presents to be executed in its name and its seal hereunto affixed as of the day and year first above written.

SIGNED, SEALED AND DELIVERED STONEFIELD, A PARTNERSHIP IN THE PRESENCE OF:

SIGNED, SEALED AND DELIVERED STONEFIELD, A PARTNERSHIP

s/ Karen D. Greene

By: s/ John D. Whittemore

John D. Whittemore, Attorney-in-fact

s/ Ruth P. Orvin

By: s/ John W. Orvin

John W. Orvin, Attorney-in-fact