

**THIS DECLARATION CONTAINS AN ARBITRATION
AGREEMENT SUBJECT TO THE SOUTH CAROLINA
ARBITRATION ACT, SECTION 15-48-10, et. seq., CODE OF LAWS OF
SOUTH CAROLINA, 1999 (as amended)**

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
WOODSIDE AT WATERS EDGE**

Upon recording, please return to:
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Myrtle Beach, SC 29577

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III, HORRY COUNTY, SC REGISTRAR OF
DEEDS

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EXHIBIT B	Land Subject to Annexation
EXHIBIT C	Initial Rules and Regulations
EXHIBIT D	Bylaws of Woodside at Waters Edge Homeowners Association, Inc.
EXHIBIT E	Rules of Arbitration for Woodside at Waters Edge Homeowners Association, Inc.

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR**

WOODSIDE AT WATERS EDGE

**THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT
TO SECTIONS 15-48-10, ET. SEQ., S.C. CODE OF LAWS (1976, AS AMENDED)**

This Declaration of Covenants, Conditions and Restrictions is effective the 1 day of June, 2017, by **D.R. HORTON, INC.**, a Delaware corporation with an address of 4049 Belle Terre Blvd., Myrtle Beach, South Carolina 29579 (hereinafter the "**Declarant**").

WITNESSETH:

WHEREAS, Declarant is the owner of the real property more particularly described in Exhibit "A" attached hereto and incorporated herein by reference; and,

WHEREAS, Declarant has previously imposed mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within a residential community known as "Waters Edge" pursuant to that certain Declaration of Covenants, Conditions and Restrictions effective ~~JUNE~~ MAY 1, 2017, and recorded on September, 2017, in Deed Book 4045 at Page 2939, which shall include any future amendments thereto, records of Horry County (hereinafter "**The Master Declaration**"); and,

WHEREAS, the real property described in the attached Exhibit "A" is a portion of that real property subjected to The Master Declaration; and,

WHEREAS, pursuant to Article II, Section 2.3 of The Master Declaration, the Declarant has the right to submit any portion of the real property subject to The Master Declaration owned by the Declarant to additional covenants, conditions and restrictions to reflect the different character and intended use of that property; and,

WHEREAS, Declarant desires to provide a flexible and reasonable procedure for the overall development of the property known as Woodside at Waters Edge and the interrelationships of the component residential associations, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such property as is now or may hereafter be submitted to this Declaration. The Association hereby created may perform educational, recreational, charitable and other social welfare activities

NOW, THEREFORE, Declarant, D.R. Horton, Inc., hereby states and declares as follows:

ARTICLE I CREATION OF THE COMMUNITY

1.1 Purpose and Intent. Declarant, as the owner of the real property described in Exhibit "A" and any additional property as may by subsequent amendment be added to and subjected to this Declaration, is hereby held, sold and conveyed subject to The Master Declaration and the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of the property comprising Woodside at Waters Edge. An integral part of the development plan is the creation of a non-profit corporation known as Woodside at Waters Edge Homeowners Association, Inc. (the "HOA") comprised of all Owners of real property in Woodside at Waters Edge, to own, operate or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents.

1.2 Binding Effect. The property described in Exhibit "A" and any additional property which is made a part of Woodside at Waters Edge in the future by Recording one or more Amendments to the Declaration shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title or interest in any portion of Woodside at Waters Edge, their heirs, successors, successors-in-title, and assigns and shall inure to the benefit of each owner thereof.

By the recording of a deed or the acceptance of title to any Unit subject to this Declaration, the person or entity to whom such Unit is conveyed, and their heirs, successors, legal representatives, administrators, lessees, assigns and mortgagees shall be deemed to have agreed to be bound by all Governing Document, including but not limited to this Declaration and the Bylaws of the Association.

This Declaration, as it may be amended and supplemented from time to time; shall remain in effect and shall be enforceable by Declarant, the HOA, any Owner, and their respective legal representatives, heirs, successors, and assigns, for a term of Fifty (50) years from the date this Declaration is Recorded. After such time, this Declaration shall be extended automatically for successive periods of Ten (10) years each, unless an instrument signed by Seventy-five (75%) percent of the then Owners has been Recorded within the year preceding any extension, agreeing to terminate this Declaration, in which case it shall terminate as of the date specified in such instrument. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

The provisions set forth in this Declaration shall be applicable only to Owners of all Units as defined herein in Article II Section 2.23.

This document does not and is not intended to create a condominium within the meaning of the South Carolina Horizontal Property Regime Act.

1.3 Governing Documents. The Governing Documents create a general plan of development for Woodside at Waters Edge. The Governing Documents include this Declaration, the Master Declaration and the By-Laws, Rules and Regulations of each, as said documents may be amended from time to time. This Declaration shall be in addition to the covenants, conditions, restrictions and easements set forth in the Master Declaration. To the extent that this Declaration conflicts with The Master Declaration, The Master Declaration shall control except to the extent the

this Declaration establishes a higher or stricter standard or requirement for Woodside at Waters Edge.

No Person shall record additional covenants, conditions, or restrictions affecting any portion of Woodside at Waters Edge without Declarant's written consent, so long as Declarant owns any portion of the real property described in Exhibit "A" or "B". Thereafter, Owners representing at least Seventy-five (75%) percent of the HOA's total votes must consent to such additions. Any instrument Recorded without the required consent is void and of no force and effect.

If any provision of this Declaration is determined by judgment or court of competent jurisdiction to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions of applications.

1.4 Function of HOA. The HOA is the entity responsible for management, maintenance, operation, and control of the Area of Common Responsibility. The HOA also is the primary entity responsible for enforcing the Governing Documents. The HOA shall perform its functions in accordance with the Governing Documents and South Carolina law.

1.5. Board of Directors. The Board shall govern the HOA as more particularly described in the By-laws. Except as to matters specifically requiring Members' approval as set forth in the Governing Documents, the Board may exercise all rights and powers granted to the HOA without membership approval.

ARTICLE II DEFINITIONS

The terms used in the Governing Documents generally shall be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms as used in this Declaration shall be defined within this Declaration and as set forth below.

2.1 "Added Property" or "Additional Property": All real property, together with the improvements thereon, whether or not owned by Declarant, which is made subject to this Declaration as provided in Article XI hereof.

2.2 "Architectural Guidelines": The architectural, design, and construction guidelines and review procedures adopted pursuant to Article V, as they may be amended.

2.3 "Area of Common Responsibility": The Common Area, together with such other areas, if any, for which the HOA has expressly assumed responsibility pursuant to the terms of this Declaration, as may be amended or supplements, and other applicable covenants, contracts, easements or agreements.

2.4 "Articles of Incorporation" or "Articles": The Articles of Incorporation for Woodside at Waters Edge Homeowners Association, Inc., a South Carolina nonprofit corporation.

2.5 "Base Assessment": Assessments levied on all Units subject to assessment under Article X to fund Common Expenses, as determined in accordance with Section 10.2.

2.6 "Board of Directors" or "Board": The body responsible for administering the HOA,

selected as provided in the Governing Documents and serving the same role as the board of directors under South Carolina corporate law.

2.7 "**Bylaws**": The Bylaws of Woodside at Waters Edge Homeowners Association, Inc., attached hereto for informational purposes as **Exhibit "D,"** as the same may be amended.

2.8 "**Common Area**": Any portion of the Common Property consisting of real property.

2.9 "**Common Expenses**": The actual and estimated expenses the HOA incurs or expects to incur for all Owners' general benefit, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

2.10 "**Common Income**": The actual and estimated income the HOA receives or expects to receive from the levy of Base Assessments and Special Assessments against the Units, as authorized in this Declaration which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units.

2.11 "**Common Property**": All real and personal property, including easements, which the HOA owns, leases, or otherwise holds possessory or use rights in for the Owners' common use and enjoyment.

2.12 "**Community**": The real property described in **Exhibit "A,"** together with such additional property as is subjected to this Declaration in accordance with this Declaration and commonly known as "Woodside at Waters Edge" or "Woodside".

2.13 "**Community-Wide Standard**": The standard of conduct, maintenance, or other activity generally prevailing in Woodside at Waters Edge, or the minimum standards established pursuant to the Architectural Guidelines, Rules and Regulations, and Board resolutions, whichever is the highest standard. Declarant shall initially establish such standard, and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within Woodside at Waters Edge change.

2.14 "**Declarant**": D.R. Horton, Inc., a Delaware corporation, or any successor or assign designated as Declarant in a Recorded instrument executed by the Declarant and acquires title to any portion of the property encumbered by this Declaration for the purpose of development or sale. Declarant may assign all or a portion of its rights under such Recorded instrument.

2.15 "**Declarant Annexation Period**": The period of time during which Declarant is entitled to unilaterally subject additional property to this Declaration as set forth in Article XI hereof.

2.16 "**Declarant Control Period**": The period of time during which Declarant is entitled to appoint a majority of the members of the Board as provided herein and in the Bylaws. The Declarant shall have the right to appoint and remove the members of the Board until the first of the following occurs:

(a) One Hundred Eighty (180) days after one hundred percent (100%) of the Units permitted for development within the Property, including an Added Property, have certificates of occupancy issued thereon and have been conveyed to Persons who have not purchased such Units

for the purpose of construction of a residence and resale of such Unit and residence;

- (b) fifty (50) years after this Declaration is Recorded; or
- (c) upon Declarant's surrender in writing of the authority to appoint and remove directors and officers of the Association.

Notwithstanding its right to appoint and remove officers and directors of the Association, Declarant reserves the right to approve or disapprove specified actions of the Association as provided in this Declaration and the Bylaws.

2.17 "Declaration": This Declaration of Covenants, Conditions, and Restrictions for Woodside at Waters Edge, as it may be amended or supplemented from time to time.

2.18 "Governing Documents": A collective term referring to this Declaration, the Master Declaration, any applicable Supplemental Declaration, the Bylaws, the Articles, the Architectural Guidelines, and the Rules and Regulations, as each may be amended.

2.19 "HOA": Woodside at Waters Edge Homeowner's Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

2.20 "Limited Common Area": Any portion of the Common Area reserved for the exclusive use of one or more, but less than all, of certain Units.

2.21 "Master Association": Waters Edge Master Association, Inc., a South Carolina nonprofit corporation.

2.22 "Member": A person or entity entitled to membership in the HOA, as provided herein.

2.23 "Owner": The record owner, whether one or more persons or entities, of any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser, (rather than the fee owner) shall be considered the Owner for purposes of this Declaration.

2.24 "Person": A natural person, a corporation, a limited liability company, a partnership, trustee, or any other legal entity.

2.25 "Property": The real property described in Exhibit "A" attached hereto and shall further refer to such additional property as may hereafter be annexed by amendment to this Declaration or which is owned in fee simple by the Association.

2.26 "Record," "Recording," or "Recorded": The appropriate recordation or filing of any document in the Office of the Register of Deeds (ROD) for Horry County, South Carolina, or such other place which is designated as the official location for recording deeds and similar documents affecting title to real estate. The date of Recording shall refer to that time at which a document, map, or plat is Recorded.

2.27 "Rules and Regulations": The initial rules and regulations set forth in Exhibit "C,"

as they may be supplemented, modified, amended and repealed pursuant to Article IV.

2.28 "Unit": A portion of Woodside at Waters Edge, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as a detached single-family residence. The term shall refer to the land which is part of the Unit as well as any improvements thereon. In the case of an improved parcel of land, a Unit shall come into existence upon the issuance of a certificate of occupancy by the appropriate agency of Horry County or other local governmental entity. In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for residential use for such parcel on a site plan approved by Declarant.

ARTICLE III PROPERTY RIGHTS

3.1 Members' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Property subject to any restrictions or limitations contained in this Declaration or deed conveying any Common Area to the HOA. Any Owner may delegate his, her or its right of enjoyment to its, his or her family members, tenants, members, shareholders, and invitees, as the case may be, subject to reasonable regulation and in accordance with procedures the HOA may adopt.

3.2 Title to Common Area. The Declarant shall convey legal title to the Common Area to the HOA or the Master Association, as is appropriate prior to the end of the Declarant Control Period, shall remove all liens and encumbrances on the Common Area, except those created by or pursuant to the Declaration, subject, however, to the following covenants, which shall be deemed to run with the land and shall be binding upon the HOA, its successors and assigns:

In order to preserve and enhance the property values and amenities of the community, the HOA or the Master Association as owner of the Common Area conveyed hereby and all facilities now or hereafter built or installed thereon, shall at all times be maintained in good repair and condition and shall be operated in accordance with high standards. The maintenance and repair of the Common Area shall include, but not be limited to, the repair of damage to pavement, walkways, outdoor lighting, and entrance. Further, it shall be an express affirmative obligation of the HOA or Maser Association, as the case may be, to keep all of the Common Areas conveyed to it and facilities appurtenant thereto, open, adequately staffed and operating during those months and during such hours as such amenity would normally be in operation in this locality.

3.3 Additions to Common Properties. In the event Declarant exercises the option set forth in Article XI of this Declaration to bring additional properties within the scheme of this Declaration, it shall also have the right but not the obligation to construct additional recreational facilities and convey such land and facilities to the HOA or Master Association as is appropriate.

3.4 Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The right of the HOA and/or Master Association, as provided in its By-

Laws to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulation;

(b) The right of the HOA and/or Master Association to charge reasonable admission and other fees for the use of the Common Properties;

(c) The right of the HOA to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no dedication or transfer, determination as to the purpose or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast seventy-five (75%) percent of the eligible votes has been recorded, agreeing to such dedication, transfer, purpose or condition and unless written notice of the action is sent to every Member at least Thirty (30) days in advance of any action taken;

(d) The right of the Declarant, Master Association or HOA to grant and reserve easements, licenses and rights-of-way, in, through, under, over and across the Common Area, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities, and the right of the Declarant to grant and serve easements and rights-of-way, in, through, under, over, upon and across the Common Area for the completion of the Declarant's work.

(e) The right of the Declarant, Master Association or HOA to enter into agreements, grant easements, licenses and rights-of-way, in, through, under, over and across the Common Properties for the purpose of joint use agreements with other land owners or homeowners associations.

ARTICLE IV USE RESTRICTIONS

4.1. **Framework for Regulation.** The Governing Documents establish, as part of the general plan of development for the Property, a framework of affirmative and negative covenants, easements, and restrictions to govern the Community, as more particularly set forth in the initial Rules and Regulations set forth in **Exhibit "C."** Within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technology which inevitably will affect the Community, its Owners, and residents. Toward that end, this Article establishes procedures for modifying and expanding the Rules and Regulations.

4.2. **Regulation Making Authority.**

(a) **Board Authority.** Subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the HOA and its Members, the Board may adopt new regulations and/or repeal, amend, modify or expand all or a portion of the regulations governing matters of conduct and aesthetics and the activities of Members, residents, and guests within the Community, as defined by the Rules and Regulations set forth in **Exhibit "C"**. The Board shall send notice by mail to all Members concerning any such proposed action at

least five (5) business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken. During the Declarant Control Period, no action by the Board pursuant to this Subsection 4.2(a) shall be valid or effective without the prior written approval of the Declarant which approval or denial shall be granted in Declarant's sole and exclusive discretion.

(b) Declarant's Authority. Notwithstanding the above provision, during the Declarant Control Period, the Declarant shall have the unilateral right to adopt new regulations, and/or repeal, amend, modify or expand all or a portion of the initial Rules and Regulations then in effect without prior notice to the Board or to Members. However, any such amendment shall not materially adversely affect the substantive rights of any Owners, nor shall it adversely affect title to any Unit without the consent of the affected Owner(s).

(c) Members' Authority. Alternatively, Members representing more than fifty percent (50%) of the total votes in the HOA, at an HOA meeting duly called for such purpose, may vote to adopt new regulations and/or repeal, amend, modify or expand all or a portion the Rules and Regulations then in effect. Notwithstanding anything contained herein to the contrary, during the Declarant Control Period, any such action by the Members shall not be valid unless and until Declarant provides its written approval which approval or denial shall be granted in Declarant's sole and exclusive discretion.

(d) Notice: Opportunity To Disapprove. Notice of any Board resolution or Member action adopting, repealing, or modifying regulations shall be sent to all Members at least thirty (30) days prior to the effective date of such regulation. Subject to Declarant's disapproval rights under the Governing Documents, the Board's resolution or Members' action shall become effective on the date specified in the notice.

(e) Conflicts. Nothing in this Article shall authorize the Board or the Members to modify, repeal, or expand the Architectural Guidelines or other provisions of this Declaration. In the event of a conflict between the Architectural Guidelines and the Rules and Regulations, the Architectural Guidelines shall control.

(f) Common Properties Administrative Rules. The procedures required under this Section shall not apply to the enactment and enforcement of Board resolutions or administrative rules and regulations governing use of the Common Properties unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative rules and regulations shall include, but not be limited to, hours of operation of a recreational facility and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times. The Board shall exercise business judgment and act in accordance with the business judgment rule, as described in the Bylaws, in the enactment, amendment, and enforcement of such administrative rules and regulations.

4.3 Limitations on Rules and Regulations. Except as may be contained in this Declaration either initially or by amendment, all Rules and Regulations shall comply with the following provisions:

(a) Signs and Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Units of the kinds normally displayed in single-family residential neighborhoods shall not be abridged, except that the HOA may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling. No Owner may post or display any sign, billboard, banner or item of similar nature so as to be visible outside of any dwelling without the prior written approval of the Architectural Review Committee, including but not limited to a "for sale," "for rent," or "garage sale" sign. No rules shall regulate

the content of political signs; however, rules may regulate the time, place, and manner of posting such signs (including design criteria) and limit to a reasonable number the number of signs that may be posted. No sign shall be larger than 18" x 24" and any Owner posting an approved sign shall be responsible for removing such sign in a timely manner and shall be subject to enforcement actions for failing to do so. Notwithstanding anything contained herein to the contrary, the HOA shall have the right, but not the obligation, to exercise self-help and to enter onto a Unit (but not the dwelling located thereon) in a non-emergency situation, without notice and opportunity for hearing prior thereto for the purpose of removing any sign, billboard, banner or other item of similar nature posted or displayed in violation of this provision.

(b) Household Composition. No rule established pursuant to this Article shall interfere with the Owners' freedom to determine the composition of their households.

(c) Activities Within Dwellings. No rule established pursuant to this Article shall interfere with the activities carried on within the confines of dwellings, except that the HOA may restrict or prohibit any activities that create monetary costs for the HOA or other Owners; that create a danger to the health or safety of others; that generate excessive noise, parking congestion, or traffic; that create unsightly conditions visible outside the dwelling; or that create an unreasonable source of annoyance.

(d) Mining and Drilling Prohibition. No oil, mineral, sand, natural gas or irrigation drilling, refining, quarrying or mining operation of any kind shall be permitted upon or in any Unit, and no derrick or other structure designed for use in boring, drilling or digging for oil, minerals, sand or natural gas shall be stored, erected, maintained or permitted on any Property within the Community.

(e) Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Properties to the detriment of any Owner over that Owner's objection expressed in writing to the HOA. Nothing in this provision shall prevent the HOA from changing the Common Properties available, from adopting generally applicable rules for use of Common Properties, or from denying use privileges to those who abuse the Common Properties or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Article X.

(f) Alienation/Leasing. No rule promulgated pursuant to this Section shall prohibit leasing or transfer of any Unit or require consent of the HOA or Board for leasing or transfer of any Unit. "Leasing," for purpose of this Paragraph, is defined as regular exclusive occupancy of a Unit by any person, other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. The Board may require a minimum lease term; however, in no case shall such term be shorter than six months.

(g) Abridging Existing Rights. No rule shall require an Owner to dispose of personal property that was in or on a Unit prior to the adoption of such rule and which was in compliance with all rules previously in force. This dispensation shall apply only for the duration of such Owner's ownership of the Unit personally, and this right shall not run with title to any Unit.

(h) Reasonable Rights To Develop. No rule or action by the HOA shall unreasonably impede Declarant's right to develop the Community in accordance with the rights reserved to Declarant in this Declaration.

The limitations in subsections (a) through (h) of this subsection 4.3 shall limit only regulation making authority exercised under this Section; they shall not apply to amendments to this Declaration adopted in accordance with Sections 17.1 and 17.2.

4.4 Owners' Acknowledgment and Notice to Purchasers. All Owners and prospective purchasers are given notice that use of their Units and the Common Properties is limited by the Rules and Regulations, as they may be amended, expanded, and otherwise modified hereunder. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by this provision, that the Rules and Regulations may change from time to time, and that the current Rules and Regulations may not be set forth in a Recorded instrument. All purchasers of Units are on notice that the HOA may have adopted changes to the Rules and Regulations. The HOA shall provide a copy of the current Rules and Regulations to any Member or Mortgagee upon request and payment of the reasonable cost of such copy.

ARTICLE V ARCHITECTURE AND LANDSCAPING

5.1. General. No structure or thing, including but not limited to fencing, shall be placed, erected, or installed upon any Unit and no improvements or other work (including staking, clearing, excavation, grading, and other site work, exterior alterations of existing improvements, or planting or removal of trees and other landscaping) shall take place on such Unit except pursuant to approval in compliance with this Article, the Architectural Guidelines, and the Rules and Regulations.

No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. An Owner may remodel, paint, or redecorate the interior of his or her Unit without approval. However, modifications to the interior of a Unit visible from outside the structure shall be subject to approval.

This Article shall not apply to Declarant's activities or to the HOA's activities during the Declarant Annexation Period or Declarant Control Period.

5.2. Architectural Review.

(a) **By Declarant.** Each Owner, by accepting a deed or other instrument conveying any Unit, acknowledges that, as the developer and owner of real estate in the vicinity of and within Woodside, Declarant has a substantial interest in ensuring that improvements within the Community enhance Declarant's reputation and do not impair Declarant's ability to market, sell, or lease its property. Therefore, during the Declarant Control Period, each Owner agrees that it, he or she shall not commence any activity within the scope of this Article on its, his or her Unit unless and until Declarant or its designee has given its prior written approval for such activity, which approval may be granted or withheld in Declarant's or its designee's sole discretion.

In reviewing and acting upon any request for approval, Declarant, or its designee, shall act solely in Declarant's interest and shall owe no duty to any other Person. Declarant's rights reserved under this Article shall continue during the Declarant Annexation Period, unless earlier terminated in a written instrument executed and Recorded by Declarant.

Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder.

Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to any other Person or committee. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of any other Person or committee shall be limited to such matters as are specifically delegated to it by Declarant.

(b) Architectural Review Committee. Upon delegation by Declarant or upon expiration or termination of Declarant Control Period, the HOA, acting through an architectural review committee appointed by the Board ("ARC"), shall assume jurisdiction over architectural matters. The ARC shall consist of at least three, but not more than seven, Persons who shall serve and may be removed and replaced in the Board's discretion. The members of the ARC need not be Owners, and may, but need not, include architects, engineers, or similar professionals, whose compensation, if any, the Board shall establish from time to time.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the HOA or the expiration of the Declarant Control Period, the HOA shall have no jurisdiction over architectural matters.

(c) Reviewer. For purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer."

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals.

5.3. Guidelines and Procedures.

(a) Architectural Guidelines. Declarant may prepare Architectural Guidelines applicable to Units which may contain general provisions applicable to all Units as well as specific provisions which vary among the Units according to location, use, or other factors. The Architectural Guidelines are intended to provide guidance to Owners regarding matters of particular concern to the Reviewer in considering applications hereunder. The Architectural Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Architectural Guidelines does not guarantee approval of any application. Further, the Architectural Guidelines may be more restrictive than guidelines followed by Horry County or as set forth in the International Builder's Code.

Declarant shall have sole and full authority to amend the Architectural Guidelines during the Declarant Annexation Period or Declarant Control Period, notwithstanding a delegation of reviewing authority, unless Declarant also delegates the power to amend. Upon termination or delegation of Declarant's right to amend, the ARC shall have the authority to amend the

Architectural Guidelines with the Board's consent. Any amendments to the Architectural Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Architectural Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Architectural Guidelines less restrictive.

The HOA shall maintain a copy of the Architectural Guidelines, as they may exist from time to time, and shall make them available to Owners for inspection and copying upon reasonable notice during the HOA's business hours. In Declarant's discretion, such Architectural Guidelines may be Recorded, in which event the Recorded version, as it may be amended, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

(b) Procedures. Except as the Architectural Guidelines otherwise specifically provide, no activity described in Section 5.1 shall commence on any Unit until an application for approval has been submitted to and approved by the Reviewer. Such application shall include plans and specifications showing site layout, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Architectural Guidelines and the Reviewer may require the submission of such additional information as deemed necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based solely on aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability or attractiveness of particular improvements. Subject to Declarant's veto power described below, the Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment. Such determinations shall not be subject to review so long as they are made in good faith and in accordance with the procedures described in this Article.

The Reviewer shall make a determination on each application within thirty (30) days after receipt of a completed application and all required information. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application or (iv) request further or additional information... The Reviewer may, but shall not be obligated to, specify the reasons for any objections or offer suggestions for curing any objections.

Until expiration of Declarant Control Period, the ARC shall notify Declarant in writing within three (3) business days after the ARC has approved an application. The notice shall be accompanied by a copy of the application and any additional information which Declarant may require. Declarant shall have ten (10) days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC and the applicant.

In any event, the Reviewer shall notify the applicant in writing of a final determination within forty-five (45) days after its receipt of a completed application and all required information. In the event that the Reviewer fails to respond in a timely manner, approval shall be deemed to have been given, subject to Declarant's veto right. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Architectural Guidelines unless the Reviewer has granted a variance pursuant to Section 5.5.

Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U.S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

If construction does not commence on a project for which plans have been approved within one (1) year after the date of approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to reapply for approval before commencing construction of any proposed improvements. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the HOA, Declarant, or any aggrieved Owner.

The Reviewer may by resolution exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

5.4. No Waiver of Future Approvals. Each Owner acknowledges that the Persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans, or in connection with any other matter requiring approval, shall not constitute a binding precedent in any other matter or waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

5.5. Variances. The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

5.6. Limitation of Liability. The standards and procedures this Article establishes are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Community; they do not create any duty to any Person. Review and approval of any application pursuant to this Article may be based on aesthetic considerations only. The Reviewer shall not bear any responsibility for ensuring (a) the structural integrity or soundness of approved construction or modifications; (b) compliance with building codes and other governmental requirements; (c) that Units are of comparable quality, value, size, or of similar design, aesthetically pleasing, or otherwise acceptable to neighboring property owners; (d) that views from any other Units or the Area of Common Responsibility are protected; or (e) that no defects exist in approved construction.

Declarant, the HOA, the Board, any committee, or any member of any of the foregoing shall not be held liable for soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the actions, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents; or any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Unit. In all matters, the HOA shall defend and indemnify the Board, the ARC, and any members thereof as provided in Section 8.6.

5.7. Certificate of Compliance. Any Owner may request that the Reviewer issue a certificate of architectural compliance certifying that such Owner's Unit has no known violations of this Article or the Architectural Guidelines. The HOA shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the HOA from taking enforcement action with respect to any condition as to which the HOA had notice as of the date of such certificate.

5.8. View Impairment. Neither Declarant nor the HOA guarantee or represent that any view over and across any portion of the Community or any adjacent property will be preserved without impairment. Any additions or changes, whether occurring in the course of developing or maintaining the Community, may diminish or obstruct any view from Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

ARTICLE VI MAINTENANCE

6.1. HOA's Responsibility for Common Areas. The HOA shall maintain and keep in good repair the Common Area conveyed to the HOA.

6.2 Master Association Responsibility for Roads. All roads and streets located within Waters Edge shall be private roads and shall be maintained, repaired and replaced by the Master Association. The Master Association shall also maintain, repair and replace all Improvements and Entrance Feature as set forth in the Master Declaration.

6.2. Responsibility for Repair and Replacement. Unless the Governing Documents or other instruments creating and assigning maintenance responsibility specifically provide otherwise, responsibility for maintenance shall include responsibility for repair and replacement to a Unit as necessary to maintain the property to a level consistent with the Community-Wide Standard.

By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the HOA to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible. If the HOA assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner pursuant to Section 10.3.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct such structures in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article V. Alternatively, the Owner shall clear the damaged portions of the Unit and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard during any construction. The Owner shall pay any costs which are not covered by insurance proceeds.

ARTICLE VII MEMBERSHIP AND VOTING RIGHTS

7.1 Membership. Every Owner, including Declarant, shall be a Member of the HOA. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 7.2 and in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners under this Declaration and the Governing Documents. The membership rights of an Owner that is not an individual may be exercised by any officer, director, partner, member, manager of a limited liability company, or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the HOA.

7.2 Voting. Voting rights of the Members shall be appurtenant to the ownership of the Units. There shall be two classes of Members with respect to voting which are as follows:

(i) **Class I Members.** Class I Members shall be all Owners, except the Class II Member. As to all matters with respect to which Members are given the right to vote under the Governing Documents, each Member shall be entitled to one vote for each Unit he/she/it owns. No vote shall be exercised for any property that is exempt from assessment under Section 10.11. In any situation where a Class I Member is entitled to exercise the vote for his or her Unit, and there is more than one Owner of such Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the HOA in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

(ii) **Class II Member.** The sole Class II Member shall be the Declarant. At the time Declarant records a subdivision plat in the records of Horry County, South Carolina, for any of the real property described in Exhibit "A" or "B", or made subject to this Declaration pursuant to Section 11.1 hereof, Declarant shall have voting rights under this section of all Units shown on

such Plat(s). As to all matters with respect to which Members are given the right to vote under the Governing Documents, the Declarant shall be entitled to fifty (50) votes per Unit owned and, in addition, shall be entitled to appoint the members of the Board until termination of the Class II Membership. The Class II Membership shall cease to exist and shall be converted to Class I Membership only upon the earlier of the following:

(1) One Hundred Eighty (180) days after the conveyance by Declarant of all of one hundred (100%) percent of the Units within the real property described in Exhibit "A" or "B" or made subject to this Declaration pursuant to Section 11.1 hereof; or

(2) A date selected by Declarant as evidenced by a recorded instrument, but not later than fifty (50) years after the recording of this Declaration.

7.3 Transfer of Membership. Membership in the HOA is appurtenant to Unit ownership and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon a transfer of title to such Unit, and then only to the transferee. Any prohibited transfer of an HOA membership shall be void and of no force or effect. Any transfer of title or interest to a Unit shall operate automatically to transfer the appurtenant membership rights in the HOA to the new Owner. Prior to any transfer of title to such a Unit, the transferring Owner shall give seven (7) days prior written notice to the Board of such transfer, which shall include the name and address of the acquiring Owner and the date of transfer.

ARTICLE VIII RIGHTS AND OBLIGATIONS OF THE HOA

8.1 The Common Area. The HOA, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Area of Common Responsibility including furnishings and equipment related thereto, and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof.

8.2 Personal Property and Real Property for Common Use. The HOA, through action of its Board of Directors, may acquire, hold and dispose of any Common Properties, whether tangible or intangible personal property and real property. The Board, acting on behalf of the HOA, shall accept any real or personal property, leasehold, or other property interests within Woodside conveyed to it by the Declarant.

8.3. No Partition. Except as is permitted in the Declaration, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any such judicial partition in the case of damage or destruction, or unless the subject Common Area has been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

8.4. Compliance and Enforcement.

(a) Every Owner and occupant of a Unit shall comply with the Governing Documents.

The Board may impose sanctions for violating the Governing Documents after notice and an opportunity for a hearing in accordance with the procedures set forth in the Bylaws. Such sanctions may include, without limitation:

(i) imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit. (In the event that any occupant, guest, or invitee of an Owner violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; however, if the violator does not pay the fine within the time period the Board sets, the Owner shall pay the fine upon notice from the Board.);

(ii) suspending an Owner's right to vote;

(iii) suspending any services the HOA provides to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the HOA;

(iv) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(v) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Unit that violates Article V and to restore the Unit to its previous condition and, upon the Owner's failure to do so, the Board or its designee shall have the right to enter the Unit, remove the violation, restore the Unit to substantially the same condition as previously existed, and levy a Specific Assessment against the Owner's Unit in accordance with Section 9.3. Any such action shall not be deemed a trespass;

(vi) without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Article V and the Architectural Guidelines from continuing or performing any further activities in the Community; and

(vii) levying a Specific Assessment against an Owner in the manner provided in Section 9.3 to collect any costs the HOA incurs in curing any violation, plus a reasonable administrative fee to discourage noncompliance, or to collect any fine that remains unpaid for a period of ten (10) days or more.

(b) Notwithstanding the foregoing, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of a hearing and compliance with the procedures set forth in the Bylaws:

(i) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); and

(ii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

(c) In addition to any other enforcement rights, if an Owner fails to perform his or her maintenance responsibility properly, the HOA may Record a notice of violation or perform such maintenance responsibilities and assess all costs the HOA incurs against the Unit and the Owner as a Specific Assessment pursuant to Section 10.3. Except in an emergency situation, the HOA shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

(d) All remedies set forth in the Governing Documents shall be cumulative of any remedies

available at law or in equity. In any action to enforce the Governing Documents, if the HOA prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

(c) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the HOA's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the HOA's resources; or

(iv) that it is not in the HOA's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the HOA's right to enforce such provision at a later time under other circumstances or preclude the HOA from enforcing any other covenant, restriction, or rule.

(f) The HOA, by contract or other agreement, may enforce applicable county ordinances, and Horry County may enforce its ordinances within the Community.

8.5. Implied Rights; Board Authority. The HOA through the Board may exercise any right or privilege given to it expressly by the Governing Documents or reasonably implied from or reasonably necessary to effectuate any such right or privilege. The Board may institute, defend, settle, or intervene on the HOA's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the HOA or its Members.

In exercising the HOA's rights and powers, making decisions on the HOA's behalf, and conducting the HOA's affairs, Board members shall be subject to, and their actions shall be judged in accordance with, the standards set forth in the Bylaws and South Carolina law.

8.6. Indemnification of Officers, Directors, and Others. Subject to South Carolina law, the HOA shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred 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, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section.

The officers, directors, and committee members 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 to any contract or other commitment made or action taken in good faith on behalf of the HOA (except to the extent that such officers or directors may also be Members). The HOA shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The HOA shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Decisions whether to institute litigation are no different from other decisions directors make. There is no independent legal obligation to bring a civil action against another party. In deciding whether to bring a civil action against another party, a director is protected by the business judgment rule under South Carolina law.

8.7 Security/Loss. The HOA may, but shall not be obligated to, maintain or support certain activities, structures, or devices within the Community designed to make the Community safer than it otherwise might be. The Master Association, the HOA nor Declarant shall in any way be considered insurers or guarantors of security within the Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner acknowledges, understands, and covenants to inform his or her guests, lessees, invitees and all occupants of his or her Unit that the Master Association, the HOA, its Board and committees, and Declarant are not insurers of safety within Woodside and that each Person using property located within Woodside assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

8.8 Amenity Facilities. The HOA may provide for recreational and amenity facilities, including services reasonably related thereto which facilities shall be considered Common Areas. The HOA is hereby authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include a clubhouse and pool.

8.9 Unit Service Obligations. The HOA shall provide the following services (the "Services") to each Unit, the cost of which shall be included in the Base Assessments:

- (a) lawn and landscaping maintenance; and
- (b) irrigation maintenance and repair.

The Board, and during the Declarant Control Period the Declarant, shall have the exclusive authority to hire the vendors which will provide the Services and negotiate and enter into contracts and agreements with such vendors upon terms and conditions as determined by the HOA or

Declarant, as the case may be, including the authority to amend, extend modify or terminate any or all of the Services or the underlying contract(s). If a Service is provided to all Owners as a Common Expense, no Owner shall be exempt from the obligation to pay for any of the Services based upon non-use or any other reason.

8.10 Relations with Other Properties. The HOA may enter into contractual agreements or covenants to share costs with any neighboring property to address issues of an area-wide concern. Examples of issues which may be addressed include road and right-of-way maintenance, drainage issues, open space, and to contribute funds for, among other things, shared or mutually beneficial property or services for a higher level of Area of Common Responsibility maintenance.

ARTICLE IX INSURANCE AND CASUALTY LOSSES

9.1. Insurance. The HOA's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area not herein conveyed to the Master Association against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall also obtain a public liability policy covering the Common Properties, the HOA, and its members for all damage or injury caused by the negligence of the HOA or any of its members or agents, and, if reasonably available, directors' and officer's liability insurance. The public liability policy shall have minimum limits in the amounts that the Board deems reasonable. Premiums for all insurance on the Common Properties shall be common expenses of the HOA. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

Cost of insurance coverage obtained for the Common Properties shall be included in the Base Assessment, as defined in Section 10.2 hereof.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the HOA, as Trustee, for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in South Carolina holding a rating of XI or better in the Financial Category as established by A.M. Best Company, Inc., if available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of the Unit Owners and their mortgagees as their interest may appear.

(c) Exclusive authority to adjust losses under policies in force on the property obtained by the HOA shall be vested in the HOA's Board of Directors; provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the HOA's

Board of Directors hereunder be brought into contribution with insurance purchased by individual owners, occupants, or their mortgagees, and the insurance carried by the Sub- HOA will be primary.

(e) The HOA's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the HOA's Board of Directors, its Manager, the owners and their respective tenants, servants, agents and guests;

(ii) A waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) That no policy may be cancelled, invalidated or suspended on account of any one or more individual owners;

(iv) That no policy may be cancelled, invalidated or suspended on account of the conduct of any director, officer or employee of the Sub- HOA or its duly authorized Manager without prior demand in writing delivered to the Sub- HOA to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the HOA, its Manager, any owner or mortgagee; and

(v) That any "other insurance" clause in any policy exclude individual owners' policies from consideration.

9.2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction, as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area, or in the event no repair or reconstruction is made after making such settlement as is necessary and appropriate with the affected owner or owners and their mortgagee(s), as their interest may appear, if any Unit is involved, shall be retained by and for the benefit of the HOA. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 9.3 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 9.2(a) hereof.

9.3. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the HOA, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five (75%) percent of the total vote of the HOA shall decide

within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the HOA within said period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed and additional sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

(c) In the event any damage or destruction to the Common Area includes damage or destruction to any exterior portion or roof of a Unit, the amount of the insurance proceeds paid as a result of such damage or destruction shall be used to repair or reconstruct such Common Area. If the insurance proceeds are not sufficient to pay for such repair or reconstruction, the Sub- HOA shall pay all amounts necessary to repair or reconstruct said Common Area.

(d) In the event that it should be determined by the HOA pursuant to subparagraph (b) above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the HOA in a neat and attractive condition and any insurance proceeds paid as a result of such damage or destruction shall be paid to the Sub- HOA.

9.4. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the HOA's members, levy a special assessment against all owners in proportion to the number of Units owned by such owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the cost of repair, such excess shall be deposited to the benefit of the Sub- HOA.

9.5. Owner's Required Coverage. Each Owner shall be responsible for obtaining and maintaining at all times insurance covering all portions of his or her Unit including contents. In addition, to the extent not insured by policies of the or the extent insurable losses result in the payment of deductibles under the HOA's policies, every Owner shall obtain and maintain at all times insurance covering consequential damages to any other Unit or the Common Area due to occurrences originating with the Owner's Unit and caused by the Owner's negligence, the Owner's failure to maintain the Unit or any other casualty within the Unit, which caused damage to any other Unit or the Common Area.

In the event of damage or destruction to a Unit, the Owner shall have sixty (60) days to complete any necessary repairs or reconstruction. Such repair or reconstruction shall conform to the architectural requirements set forth in this Declaration.

At the Board's request, Owners shall file a copy of each individual policy or policies covering his or her unit and personal property with the Board within ten (10) days after receiving such request. Such Owner shall promptly notify the Board in writing in the event such policy is canceled.

In the event of damage or destruction of a Unit and the Owner does not complete the necessary repairs or replacements within the sixty (60) day time period and in accordance with the architectural requirements of this Declaration, or the Master Declaration, the HOA may, but is not obligated, to complete the necessary repairs or replacements and assess all costs incurred by the HOA in completing said repairs or replacements against the Unit and its Owner which assessment shall be a lien upon the Unit as provided in Article X, Section 10.11 of the Declaration and shall be collected as provided in Article X, Section 10.15 of the Declaration.

ARTICLE X HOA'S FINANCES

10.1 Authority To Assess Owners. Declarant hereby establishes and the HOA is hereby authorized to levy assessments against Units as provided for in this Article and elsewhere in the Governing Documents. Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. Unless the Board provides otherwise, the Base Assessment shall be due and payable in advance on the first day of each calendar month year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

10.2 Base Assessments. The HOA is hereby authorized to levy Base Assessments equally against all Units to pay the Common Expenses. In determining the Base Assessment rate per Unit, the Board may consider any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year. Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by paying any deficit between the Common Expenses and HOA funds collected pursuant to the current year's budget, or any portion of any such deficit (in addition to any amounts paid by Declarant under Section 10.9), which may be a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such deficit payment shall be disclosed as a line item in the income portion of the budget. Payment of such deficit, or portion thereof, in any year shall not obligate Declarant to continue payment of such deficit in future years, unless otherwise provided in a written agreement between the HOA and Declarant. Until the HOA first levies assessments, Declarant shall be responsible for all Common Expenses. Thereafter, assessments for Common Expenses shall be levied at least annually in accordance with this Article.

10.3 Special Assessments. In addition to other authorized assessments, the HOA may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of a majority of the Board and the consent of Declarant during the Declarant Control Period. Special Assessments shall be payable in such manner and at such times as

10.4 Specific Assessments. The HOA acting by and through its Board shall have the power to levy Specific Assessments against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Units upon request of an Owner pursuant to any menu of special services which the HOA may offer, the HOA may levy Specific Assessments for special services in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this subsection (b).

10.5 Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on the day of the sale of a Unit to a Person other than Declarant. The first annual Base Assessment levied on each Unit shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

10.6 Personal Obligation for Assessments. Each Owner, by accepting a deed or entering into a Recorded contract of sale for a Unit or any portion of the Community, covenants and agrees to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of ten percent (10%) per annum or such higher rate as the Board may establish, subject to the limitations of South Carolina law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be each Owner's personal obligation and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. No Owner may exempt himself from liability for assessments by non-use of Area of Common Responsibility, abandonment of his or her Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the HOA or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

10.7 No Waiver. The Board's failure to fix assessment amounts, or adopt a budget or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the HOA may retroactively assess any shortfalls in collections.

10.8 Budget. At least fifteen (15) days before the beginning of each fiscal year, the Board shall prepare and approve a budget of the estimated Common Expenses and estimated Common Income for the coming year. The budget shall also include any contributions to be made to a reserve fund for repair and replacement of capital assets, based on a separate reserve budget which takes into account the number and nature of replaceable assets, the expected life of each

asset, and each asset's expected repair or replacement cost. The budget shall reflect the sources and amounts estimated for both Common Income and Expenses. In the event the Board does not approve a budget for the coming year, the

10.9 Budget Deficits During Declarant Control. During the Declarant Control Period, Declarant may (but shall not be required to):

(a) Advance funds to the HOA sufficient to satisfy the deficit, if any, between the HOA's actual operating expenses and the sum of the Base, Special and Specific Assessments collected by the HOA in any fiscal year. Such advances shall, upon request of Declarant, be evidenced by promissory notes from the HOA in favor of Declarant. Declarant's failure to obtain a promissory note shall not invalidate the debt;

(b) Cause the HOA to borrow any amount from a third party at the then prevailing rates for such a loan in the local area of the Community. Declarant, in its sole discretion, may guarantee repayment of such loan, if required by the lending institution, but no Mortgage secured by the Common Area or any of the improvements maintained by the HOA shall be given in connection with such loan; or

(c) Acquire property for, or provide services to, the HOA or the Area of Common Responsibility. Declarant shall designate the value of the property or the services provided, and such amounts, at Declarant's request, shall be evidenced by a promissory note. Failure to obtain a promissory note shall not invalidate the obligation referred to in this Section.

10.10 Statement of Account. Upon written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Unit, the HOA shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit, the amount of the current periodic assessment and the date on which such assessment becomes or became due, and any credit for advanced payments or prepaid items. Such statement shall be delivered to the requesting Person personally or fax or by email. The HOA may require the payment of a reasonable processing fee for issuance of such statement.

Such statement shall bind the HOA in favor of Persons who rely upon it in good faith. Provided such request is made in writing, if the request for a statement of account is not processed within 14 days of receipt of the request, all unpaid assessments that became due before the date of making such request shall be subordinate to the lien of a Mortgagee that acquired its interest after requesting such statement.

10.11 Lien for Assessments. Subject to the limitations of any other applicable provisions of South Carolina law, the HOA shall have a statutory lien against each Unit to secure payment of delinquent assessments, as well as interest, late charges, and costs of collection (including attorneys' fees). Such lien shall be perfected upon the Recordation of this Declaration.

Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior; (b) the lien or charge of any Recorded First Mortgage made in good faith and for value; and (c) labor or materialmen's liens, to the extent required by law.

Such lien, when delinquent, may be enforced in the same manner as provided for the foreclosure of Mortgages under South Carolina law. All such costs and expenses of any such foreclosure shall be secured by the lien being foreclosed.

The HOA may bid for the Unit, as applicable, at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the HOA following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged to the foreclosed Unit had the HOA not acquired it. The HOA may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the First Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure, except as otherwise provided in this Section. Uncollected assessments shall be deemed Common Expenses collectible from Owners of all Units subject to assessment under Section 10.1, including such acquirer, its successors, and assigns. The subsequent Owner of the foreclosed Unit shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 10.1, including such acquirer, its successors, and assigns.

10.12. Exempt Property. The following property shall be exempt from payment of Base Assessments, Specific Assessments and Special Assessments:

- (a) all Common Area and such portions of the property owned by Declarant as are included in the Area of Common Responsibility; and
- (b) any property dedicated to and accepted by any governmental authority or public utility; and
- (c) any and all property owned by the Declarant.

10.13. Capitalization of HOA. Upon acquisition of record title to a Unit by the first Owner thereof other than Declarant, a contribution shall be made by or on behalf of the purchaser to the **working capital of the HOA in an amount equal to One Thousand and no/100 Dollars (\$1,000.00) per Unit.** This amount shall be in addition to, not in lieu of, the annual Base Assessment or any other assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the HOA. The HOA shall deposit this amount into the operating account of the HOA for use in covering operating expenses and other expenses incurred by the HOA pursuant to this Declaration and the By-Laws, including but not limited to expenses incurred by Declarant in providing infrastructure or other Common Area to the Community. This amount may be increased or decreased in the sole and exclusive discretion of the Board; provided, however, that in no event shall this initial contribution equal more than the annual Base Assessment for the year in which the acquisition of title by the first Owner, other than Declarant, occurs.

10.14 Transfer Fee on Resales. Each time a Unit is sold, transferred or otherwise conveyed to a new Owner, the purchaser of the Unit shall pay to the HOA at the time of settlement a transfer fee in the amount of Five Hundred and no/100 (\$500.00) Dollars. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the HOA. The HOA shall deposit this amount into the operating account of the HOA for any legitimate purposes as the Board of Directors may determine, but said amounts shall not be considered as advance payments of regular assessments. This provision shall not apply to the following transfers: (i) involuntary conveyances; (ii) conveyances pursuant to testacy or as a part of the Owner's estate planning; or (iii) conveyances between family members when no consideration is paid.

10.15 Collection of Assessments and Default. The Board may take prompt action to collect any assessment due from any Owner which remains unpaid for more than ten (10) days from the due date. Any assessment levied which is not paid by the first (1st) day of each month, shall be in default. The assessment together with interest thereon and the costs of collection, including reasonable attorney fees, thereof, shall be a continuing lien upon the Unit belonging to the Owner against whom such assessment is levied. The Owner obligated to pay this delinquent assessment, may, by resolution of the Board of Directors, be subject to such penalty or "late charge" as the Board of Directors may fix prior to the fiscal period in which non-payment occurs. The Sub- HOA may bring an action at law against the owner personally obligated to pay the same or foreclose and/or enforce the lien against the Unit then belonging to said Owner in the manner now or hereinafter provided for the foreclosure of mortgages or other liens on real property in the State of South Carolina, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorney's fees shall be added to the amount of cash assessment.

ARTICLE XI EXPANSION OF THE COMMUNITY

11.1 Expansion by Declarant. Declarant shall have the unilateral right, privilege and option, but not the obligation, from time to time at any time, to subject unilaterally to the provisions of this Declaration and the jurisdiction of the HOA all or any portion of the real property described in Exhibit "A" or "B" attached hereto and by reference made a part thereof, whether in fee simple or leasehold, by filing in the Horry County, South Carolina records, an amendment annexing such property. Such amendment to this Declaration shall not require the vote of members. Any such annexation shall be effective upon the Recording of such Supplemental Declaration unless otherwise provided therein.

Such amendment or supplemental Declaration may contain such complimentary additions and modifications of this Declaration as may be necessary to reflect the different character, if any, of the added Property as are not inconsistent with the scheme of this Declaration.

Declarant may transfer or assign this right to subject property, provided that the transferee or assignee is the developer or owner of at least a portion of the real property described in Exhibit "A" or "B" and that Declarant memorializes such transfer by executing a written, Recorded instrument.

11.2. Expansion by the HOA. After Declarant Annexation Period terminates, the HOA may subject any real property to the provisions of this Declaration with the consent of the owner of such property, the consent of the Master Association, the affirmative vote of Members representing at least sixty-seven percent (67%) of the total votes in the HOA, and the consent of Declarant if during the Declarant Control Period.

The HOA shall subject such property by Recording a Supplemental Declaration describing the property being subjected. Any such Supplemental Declaration shall be signed by the President and the Secretary of the HOA, by the owner of the subjected property, and by Declarant, if Declarant's consent is required. Any such subjection of property shall be effective upon Recording unless otherwise provided therein.

11.3. Withdrawal of Property. During the Declarant Control Period, Declarant reserves the unilateral right to amend this Declaration to withdraw any portion of the Community from the coverage of this Declaration whether originally described in Exhibit "A" or added by amendment or Supplemental Declaration; however, the withdrawal of any property shall require the consent of the affected Owner(s), if other than Declarant. If the property is Common Area, the HOA shall consent to such withdrawal upon Declarant's request.

ARTICLE XII DEVELOPMENT RIGHTS AND PROTECTIONS

12.1 Reasonable Rights To Develop. Declarant and/or builders may be undertaking the work of constructing improvements to and upon the Community, including Units. The completion of such construction and the sale or other disposal of the Units is essential to the establishment and welfare of Woodside as a residential community. Therefore, so long as Declarant owns any property described in Exhibit "A" or "B" for development or sale, nothing in this Declaration or the other Governing Documents shall be understood or construed to:

- (a) prevent Declarant, builders, or their contractors or subcontractors from doing in the Community or on any Unit whatever is reasonably necessary or advisable in connection with the commencement or completion of the above-described work;
- (b) prevent Declarant or its representatives from erecting, constructing, and maintaining on any part of the Community such structures as reasonably may be necessary for the conduct of its business of completing the work, establishing Woodside as a residential community, and disposing of the Units by sale, lease, or otherwise;
- (c) prevent Declarant from maintaining such signs and conducting such activities on any part of the Community owned by Declarant or the HOA as Declarant may deem to be reasonably necessary for the sale, lease, or disposition of Units; or
- (d) prevent Declarant from placing and utilizing on Units or other property which it owns one or more mobile trailers or temporary structures as sales offices or for construction activities.

Nothing in this Section shall give Declarant the right to damage any Unit or other property not owned by Declarant.

12.2 Marketing and Sales Activities. So long as Declarant owns any property described in Exhibit "A" or "B," Declarant and builders authorized by Declarant may construct, relocate, maintain, and carry on upon any Unit Declarant owns or upon portions of the Common Area, such facilities and activities as may be reasonably required, convenient, or incidental to the construction, marketing, or sale of Units, in Declarant's sole opinion. Such facilities and activities may include, without limitation, business offices, signs, model units, and sales offices. There shall be no limit on the number or size of such facilities. Declarant and authorized builders shall have easements for access to and use of such facilities. Declarant reserves the right to remove any personal property used in connection with its activities on the Common Area upon termination of its rights under this Section.

12.3 Construction of Improvements. So long as Declarant owns any portion of the property described in Exhibit "A" or "B," Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area as it deems appropriate in its sole discretion. Every Person that acquires any interest in Woodside acknowledges that Woodside is a planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge, or otherwise object to changes in the Master Plan.

12.4 Right To Approve Additional Covenants. So long as Declarant owns any portion of the property described in Exhibit "A" or "B," no Person shall Record any declaration of covenants, conditions, and restrictions, or declaration of condominium or similar instrument affecting any portion of the Community without Declarant's review and written consent. Any instrument Recorded without such consent shall be void and of no force and effect unless Declarant subsequently consents in a Recorded instrument.

12.5 Right To Transfer or Assign Declarant Rights. Any or all of Declarant's rights and obligations set forth in this Declaration or the Bylaws may be transferred in whole or in part to other Persons; however, the transfer shall not reduce an obligation or enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless Declarant executes a written, Recorded instrument transferring such rights and obligations. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety. In such case it shall not be necessary to Record any written assignment unless necessary to evidence Declarant's consent to such exercise.

12.6 Exclusive Rights To Use Name of Development. Other than Declarant or the HOA, no Person shall use the name "Woodside at Waters Edge" or any derivative of such name in reference to this Community or any activities associated with this Community in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Woodside at Waters Edge" in printed or promotional matter where such term is used solely to specify that particular property is located within Woodside..

12.7 Right to Approve Changes in Community Standards. So long as Declarant owns property described in Exhibit "A" or "B," no amendment to or modification of any Rules and Regulations or Architectural Guidelines shall be effective without Declarant's prior written approval.

12.8 Easement to Inspect and Right to Correct.

(a) Easement. Declarant reserves for itself and such other Persons as it may designate perpetual non-exclusive easements throughout the Community to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, or correcting any portion of the Community, including Units and the Area of Common Responsibility. Declarant shall have the right to redesign or correct any part of the Community, including Units and the Area of Common Responsibility.

(b) Right of Entry. Entry onto a Unit shall be after reasonable notice, except in an emergency. Entry into a dwelling on a Unit shall be only after Declarant notifies the Unit's Owner and agrees with the Owner regarding a reasonable time to enter the dwelling on such Unit to perform such activities.

(c) Damage. Declarant shall promptly repair any damage to a Unit or the Area of Common Responsibility resulting from the exercise of the easement or right of entry described in subsections (a) and (b) of this Section at its own expense. The exercise of these easements shall not unreasonably interfere with the use of any Unit and entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

12.9 Appointment and Removal. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION OR OTHER GOVERNING DOCUMENTS, Declarant hereby retains the right to appoint and remove any member or members of the Board, any officers of the HOA and/or any committee members until the termination of the Declarant Control Period. Every grantee of any interest in the Community by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove directors, officers and committee members of the HOA in accordance with the foregoing provisions of this Section and any other provision of this Declaration and of the By-Laws. The provisions of this Section are supplemental to, and not in substitution of rights retained by Declarant pursuant to this Declaration or other Governing Documents.

ARTICLE XIII EASEMENTS

13.1 Easements in Common Area. Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying an interest in such property to the HOA; and
- (c) The Board's right to:
 - (i) adopt and enforce rules regulating use and enjoyment of the Common Area;
 - (ii) dedicate or transfer all or any part of the Common Area, subject to such

approval requirements as may be set forth in this Declaration; and

(iii) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth herein.

Any Owner may extend his or her right of use and enjoyment of the Common Area to the occupants of his or her Unit, lessees, guests and invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit for the period of the lease.

13.2 Easements of Encroachment. Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement, 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 three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

13.3 Easements To Serve Additional Property. So long as Declarant owns any portion of the property described in Exhibit "A" or "B," Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "A" or "B," whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property.

13.4. Easements for Maintenance, Emergency, and Enforcement. Declarant grants to the Master Association and the HOA easements over the Community as necessary to enable either to fulfill the maintenance responsibilities here under. Specifically, the Master Association and the HOA shall have a right of entry upon and easement of access through every Unit, excepting the dwelling thereon, for the purpose of maintaining any property or improvement for which the HOA has maintenance responsibility. The Master Association and the HOA also shall have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance, and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

13.5. Easements for Pond and Wetland Maintenance and Flood Water. Declarant reserves for itself, its successors, assigns, and designees during the Declarant Annexation Period, and grants to the HOA and its successors, assigns, and designees in perpetuity, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located within the Area of Common Responsibility to (a) install, operate, maintain, and replace pumps to supply

irrigation water to the Area of Common Responsibility; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. Declarant, the HOA, and their successors, assigns, and designees shall have an access easement over and across any of portion of the Community abutting or containing bodies of water or wetlands to the extent reasonably necessary to exercise their rights under this Section.

Declarant further reserves for itself, its successors, assigns, and designees during the Declarant Annexation Period, and grants to the HOA and its successors, assigns, and designees in perpetuity, a nonexclusive right and easement of access and encroachment over the Common Area and Units (but not the dwellings thereon) adjacent to or within 100 feet of bodies of water and wetlands within the Community, in order to (a) temporarily flood and back water upon and maintain water over such portions of the Community; (b) alter in any manner and generally maintain the bodies of water and wetlands within the Area of Common Responsibility; c) draw water from lakes, ponds, and streams within Woodside for purposes of irrigation and such other purposes as Declarant shall deem desirable and (d) maintain and landscape the slopes and banks pertaining to such areas. All persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural occurrences.

No Person shall exercise an easement pursuant to this Section in violation of, or for any purpose which violates local, state, or federal laws or regulations.

13.6. Easements for Irrigation System. Declarant reserves for itself, its successors, assigns, and designees during the Declarant Annexation Period, and grants to the HOA and its successors, assigns, and designees in perpetuity, the nonexclusive right and easement, but not the obligation, to enter upon every Unit and the Common Area to install, operate, maintain, and replace irrigation systems or portions thereof, including irrigation ditches, head gates, and siphons. Declarant, the HOA, and their successors, assigns, and designees shall have an access easement over and across any portion of the Community abutting or containing irrigation systems to the extent reasonably necessary to exercise their rights under this Section.

13.7. Easement for Utilities and Community Systems. Declarant reserves for itself, its successors, assigns and designees during the Declarant Annexation Period and grants to the HOA and its successors, assigns, and designees and all utility providers, perpetual non-exclusive easements throughout the Community (but not through a dwelling) to the extent reasonably necessary to:

- (a) install utilities and infrastructure to serve the Community, and drainage systems;
- (b) inspect, maintain, repair, and replace the utilities, infrastructure, and other improvements described above; and
- (c) access and read utility meters.

ARTICLE XIV DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

14.1 Consensus for HOA Litigation. Except as provided in this Section, the HOA shall not commence a judicial or administrative proceeding without the approval of Members representing at least seventy-five percent (75%) of the total votes of the HOA. This Section shall not apply, however, to: (a) actions brought by the HOA to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (b) the collection of assessments; (c) proceedings involving challenges to *ad valorem* taxation; or (d) counterclaims brought by the HOA in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Prior to the HOA or any Member commencing any judicial or administrative proceeding to which Declarant is a party and which arises out of an alleged defect at the Community or any improvement constructed upon the Property, Declarant shall have the right to meet in good faith and discuss the subject of the proceeding with the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of the Community, including any improvement as to which a defect is alleged. In addition, the HOA, or the Member, shall notify the builder who constructed such improvement prior to retaining any other expert witness or for other litigation purposes.

14.2 Alternative Method for Resolving Disputes. Declarant, the HOA, its officers, directors, and committee members, all Persons subject to this Declaration, any builder within the Community, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Community, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to use good faith efforts to resolve those claims, grievances, or disputes described in Sections 14.3 ("Claims") using the procedures set forth in Section 14.4.

14.3 Claims. Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents, or the rights, obligations, and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Property (other than matters of aesthetic judgment under Article V, which shall not be subject to review) shall be subject to the provisions of Section 14.4.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 14.4:

- (a) any suit by the HOA against any Bound Party to enforce the provisions of Article X;
- (b) any suit by the HOA to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the HOA's ability to enforce the provisions of this Declaration;
- (c) any suit between Owners, which does not include Declarant or the HOA as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

- (d) any suit in which any indispensable party is not a Bound Party; and
- (e) any suit as to which any applicable statute of limitations would expire within one hundred eighty (180) days of giving the Notice required by Section 14.4(a) unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.4.

14.4 Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

- (i) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;
- (ii) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises);
- (iii) Claimant's proposed remedy; and
- (iv) that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation and Mediation.

(i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(ii) If the Parties do not resolve the Claim within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("**Termination of Negotiations**"), Claimant shall have thirty (30) additional days to submit the Claim to mediation under an independent agency providing dispute resolution services in Horry County or surrounding areas.

(iii) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; however, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(iv) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("**Termination of Mediation**"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(v) Within five (5) days of the Termination of Mediation, the Claimant shall make a final written demand ("**Settlement Demand**") to the Respondent, and the Respondent shall make a final written settlement offer ("**Settlement Offer**") to the Claimant. If the Claimant

fails to make a Settlement Demand, Claimants' original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(c) Final and Binding Arbitration.

(i) If the Parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to arbitration in accordance with the rules of arbitration contained in Exhibit "E" attached hereto and made a part hereof, or such rules as may be required by the agency providing the arbitrator. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; however, nothing herein shall release or discharge Respondent from any liability to Persons other than Claimant.

(ii) This subsection (c) is an agreement to arbitrate and is specifically enforceable under any applicable arbitration laws of the State of South Carolina. The arbitration award ("Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the South Carolina laws.

14.5 Allocation of Costs of Resolving Claims.

(a) Subject to Section 14.5(b), each Party shall bear its own costs, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("Post Mediation Costs").

(b) Any Award that is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne equally by all Respondents. Any Award that is equal to or less favorable to Claimant than any Respondents' Settlement Offer shall award such Respondent its Post Mediation Costs.

14.6 Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 14.4 and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with an Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 14.4. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

ARTICLE XV MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers, and guarantors of First Mortgages on Units in the Community. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

15.1 Notices of Action. An institutional holder, insurer, or guarantor of a First Mortgage which provides a written request to the HOA (such request to state the name and address

of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an ("**Eligible Holder**"), shall be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Unit on which there is a First Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Governing Documents relating to such Unit or the Owner or occupant which is not cured within sixty (60) days of receiving notice of such violation;

(c) any lapse, cancellation, or material modification of any insurance policy the HOA or Master Association maintains; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Holders.

15.2 Other Provisions for First Lien Holders. To the extent not inconsistent with South Carolina law and any other provisions of the Governing Documents

(a) any restoration or repair of the Community after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless Eligible Holders representing more than fifty percent (50%) of the votes of Units subject to Mortgages held by Eligible Holders elect otherwise; and

(b) termination of the HOA after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders representing more than fifty percent (50%) of the votes of Units subject to Mortgages held by Eligible Holders.

15.3 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the First Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

15.4 Notice to HOA. Upon request, each Owner shall be obligated to furnish to the HOA the name and address of the holder of any Mortgage encumbering such Owner's Unit.

15.5 Failure of Mortgagee To Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the HOA does not receive a written response from the Mortgagee within thirty (30) days of the date of the HOA's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

15.6 Construction of Article XV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, the Bylaws, or South Carolina law for any of the acts set out in this Article.

ARTICLE XVI CHANGES IN COMMON AREA

16.1. Condemnation. If a Unit or portion thereof shall be taken by eminent domain, compensation and the Owner's interests in the Common Area shall be evenly allocated. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least sixty-seven percent (67%) of the total votes in the HOA and of Declarant, during the Declarant Control Period) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the HOA to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the HOA shall restore or replace such improvements on the remaining Common Area to the extent available, unless within sixty (60) days after such taking Declarant, during the Declarant Control Period, and Members representing at least seventy-five percent (75%) of the total votes in the HOA shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 8.4 regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the HOA and used for such purposes as the Board shall determine.

16.2 Transfer, Partition, or Encumbrance of Common Area.

(a) Except as this Declaration otherwise specifically provides, the Common Area shall not be judicially partitioned or subdivided into Units, nor shall the ownership of the Common Area be otherwise divided or encumbered in any manner after conveyance to the HOA, except upon the approval of Members representing at least seventy-five percent (75%) of the total votes in the HOA, including a majority of the votes held by Members other than Declarant, and the consent of Declarant during the Declarant Control Period.

(b) The HOA shall have the authority, subject to approval of Members representing more than fifty percent (50%) of the total votes in the HOA, including a majority of the votes held by Members other than Declarant, and the consent of Declarant, during the Declarant Control Period, to transfer portions of the Common Area and improvements thereon to appropriate governmental entities or tax-exempt organizations for the maintenance, operation, and preservation thereof; provided, any such transfer shall not relieve such Common Area from the rights and benefits of the HOA and the Members as provided in this Declaration and shall otherwise be subject to the provisions of this Declaration.

ARTICLE XVII AMENDMENTS

17.1. Amendment During Declarant Control Period. During the Declarant Control Period, this Declaration may be unilaterally amended at any time by Declarant without the consent

or approval of any Owner, the Board or the HOA (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Units subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, the Department of Housing and Urban Development, the Veterans Administration, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on Units subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Units subject to this Declaration; however, any such amendment shall not adversely affect title to any Unit unless such Unit's Owner consents in writing. **Notwithstanding anything stated herein, during the Declarant Annexation Period and Declarant Control Period, Declarant may unilaterally amend this Declaration for any purpose as determined by Declarant in its sole and exclusive discretion without the consent or approval of any Owner, the Board or the HOA; provided, however, that any such amendment shall not materially adversely affect the substantive rights of any Owners hereunder, nor shall it adversely affect title to any Unit without the consent of the affected Owner(s).**

17.2 Amendments after the Declarant Control Period. After the Declarant Control Period, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of the Owners at the time of such vote of at least sixty-seven percent (67%) of the Units. Any vote to amend this Declaration by the Owners under this Section 17.2 shall be held at a duly called Special Meeting of the Members.

17.3. Validity of Amendment. No amendment may remove, revoke, or modify any Declarant right or privilege without Declarant's written consent (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration pursuant to Section 17.2, it shall be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party shall affect the validity of such amendment. Any amendment made by the Declarant under Section 17.1 above, shall be memorialized by a written document, signed by the Declarant and Recorded in the Office of the Register of Deeds. Any amendment made by the Owners under Section 17.2 above, shall be memorialized by a written document, signed by the President of the HOA and attested to by the Secretary of the HOA and Recorded in the Office of the Register of Deeds. The attestation of the Secretary shall contain the percentage of votes cast in favor of and against the amendment.

17.4 Effective Date. Any amendment to this Declaration shall become effective upon the Recording of such amendment, unless it specifies a later effective date. Any procedural challenge to an amendment must be made within one year of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

ARTICLE XVIII - MISCELLANEOUS

18.1 Duration. This Declaration, as it may be amended and supplemented from time to time, shall remain in effect and shall be enforceable by Declarant, the HOA, any Owner, and their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is Recorded. After such time, this Declaration shall be extended automatically for successive periods of ten (10) years each, unless an instrument signed by at least sixty-seven (67%) percent of the then Owners has been Recorded within the year preceding any extension, agreeing to terminate this Declaration, in which case it shall terminate as of the date specified in such instrument. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

18.2 No Reverter. No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

18.3 Severability. A determination by a court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable for any reason shall not affect the validity or enforceability of any other provision hereof

18.4 Headings. The captions and headings herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Declaration nor the intent of any provision hereof.

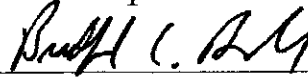
18.5 Terms. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the plural used herein shall be deemed to include the singular and the singular the plural; the masculine deemed to include the feminine and neuter. References in this Declaration to "herein", "hereunder" or "hereby" shall refer to this entire Declaration, unless the context clearly otherwise requires.


18.6. Exhibits. Exhibit "A," "B," and "E" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article. Exhibit "C" is incorporated by this reference and may be amended in accordance with Article IV or this Article. Exhibit "D" is attached for informational purposes and may be amended as provided therein.

19 IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this
day of September, 2017.


SMITA M PATEL

D.R. Horton, Inc.
a Delaware corporation

By: 
Bradford C. Brundage
Its: Assistant Vice President

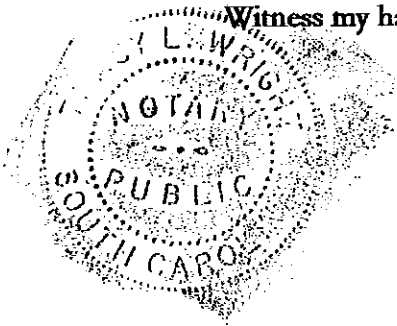

Tracy L. Wright

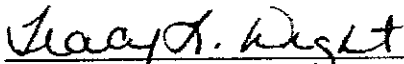
STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)

ACKNOWLEDGMENT
(S.C. CODE ANN. §30-5-30(B)(C))

I, the undersigned, a Notary Public for South Carolina, do hereby certify that, Bradford C. Brundage as Assistant Vice President of D.R. Horton, Inc. personally appeared before me this day and acknowledged the due execution of the foregoing instrument, as the act and deed of said corporation.

Witness my hand and official seal this 19th day of September, 2017



 (L.S.)
Notary Public in and for S.C.
My Commission Expires: 10-2-23

State of South Carolina
Notary Public
Tracy L. Wright
My Commission Expires 10/2/2023

EXHIBIT "A"

Land Initially Submitted- Woodside at Waters Edge Declaration

ALL AND SINGULAR those certain pieces, parcels or lots of land, situate, lying and being in Little River Township, Horry County South Carolina, being shown and designated as Lots 3, 13-17, 34-47 and 49-66 on that certain plat entitled "Bonded Final Plat Subdivision Survey" prepared for Inlet View Developers, LLC, by Timothy L. Davis, PLS dated April 30, 2010, recorded in Plat Book 248 at Page 230 and thereafter revised by that certain plat entitled "Revised Final Plat Of Subdivision Survey Of Waters Edge Subdivision", dated January 26, 2015, last revised January 16, 2015, and recorded February 2, 2015, in Plat Book 264 at Page 335, in the Office of the Register of Deeds for Horry County, SC.

EXHIBIT "B"

Land Subject to Annexation - Woodside at Waters Edge Declaration

Any and all real property lying and being within Waters Edge Subdivision as shown on that certain plat entitled "Revised Final Plat Subdivision Survey of Waters Edge Subdivision" prepared for Inlet View Developers, LLC, located in the City of North Myrtle Beach, Township of Little River, County of Horry, State of South Carolina, prepared by Timothy L. Davis, P.L.S., dated January 26, 2015, and recorded February 2, 2015, in Plat Book 264 at Pages 335 and 336, in the Office of the Register of Deeds for Horry County, South Carolina.

EXHIBIT "C"

Initial Rules and Regulations

The following rules, regulations and restrictions shall apply to Woodside at Waters Edge until such time as they are amended, modified, repealed, or limited pursuant to Article IV of the Declaration.

1. Residential Purposes. The Community shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for Declarant to assist in the sale of property described in Exhibits "A" or "B," offices for any property manager retained by the HOA, and business offices for Declarant or the HOA) consistent with this Declaration and any Supplemental Declaration.

2. Restricted Activities and Conditions. The following activities and/or conditions are prohibited within the Community *unless expressly authorized in writing by the Board*, and then, subject to such conditions as the Board may impose:

(a) Exterior Additions or Alterations. Construction, erection, placement, or modification of any structure or thing, permanently or temporarily, on the outside portion of a Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article V of the Declaration. This shall include, without limitation, conversion of any carport or garage to finished space for habitable use, modification of any landscaped or grassed areas, removal of trees, signs, basketball hoops, swing sets, and similar sports and play equipment; clotheslines, garbage cans, woodpiles, in-ground swimming pools, docks, piers, and similar structures, hedges, walls, dog runs, animal pens, or fences of any kind. Under no circumstances shall the ARC approve the replacement of all or a majority of the grassed area of a Unit with mulch or stone.

(b) Fences. Installation of four (4) foot high picket fencing constructed of black aluminum and located as approved by the ARC in compliance with the procedures set forth in the Declaration.

(c) Animals. Raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats (the combined number of dogs and cats not to exceed three(3)), or other usual and common household pets may be permitted in a Unit.

(d) Drainage. Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm drains, except that Declarant and the HOA shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent.

(e) Irrigation Systems. Installation of any sprinkler or irrigation systems or wells of any type, other than those initially installed by Declarant or a Declarant approved builder, which draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Community, except that

Declarant and the HOA shall be permitted and shall have the exclusive right and easement to draw water from such sources within the Community for purposes of irrigation and such other purposes as Declarant or the HOA shall deem desirable.

(f) Bodies of Water. Swimming, boating, use of personal flotation devices, or other active use of lakes, ponds, streams, or other bodies of water within the Community, provided, however, that fishing from the shore shall be permitted with appropriate licenses. The HOA shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of rivers, lakes, ponds, streams, or other bodies of water within or adjacent to the Community.

(g) Business or Trade. Any business, trade or similar activity, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Community; (iii) the business activity does not involve door-to-door solicitation of residents of the Community; (iv) the business activity does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked within the Community which is noticeable greater than that which is typical of Units in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents within the Community, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. Leasing of a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Declarant or a builder approved by Declarant with respect to its development and sale of the Community or its use of any Units which it owns within the Community.

(h) Exterior Antennas. Satellite dishes, antennas, and similar devices for the transmission of television, radio, satellite, or other signals of any kind, except that (i) satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; and (iii) antennas designed to receive television broadcast signals (i), (ii), and (iii), collectively, "Permitted Devices") shall be permitted; however, any such Permitted Device must be placed in the least conspicuous location on the Unit at which an acceptable quality signal can be received and is not visible from the street, Common Area, or neighboring property, or is screened from the view of adjacent Units in a manner consistent with the Community-Wide Standard and the Architectural Guidelines. Notwithstanding anything contained herein to the contrary, Declarant and the HOA shall have the right, without obligation, to erect or install and maintain satellite dishes, antennas, or similar devices for the benefit of all or a

portion of the Community.

(i) Exterior Decorative Items. Installation, display, or presence of exterior decorative items, including, but not limited to, statuary, wishing balls and fountains, but not including flags.

3. Prohibited Activities and Conditions. The following activities and/or conditions are prohibited within the Community

(a) Vehicles. Parking any vehicles on streets, thoroughfares or Areas of Common Responsibility (with exception of designated parking areas) and parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, snowmobiles, stored vehicles, or inoperable vehicles in places other than enclosed garages; provided, however, construction, service, and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or Area of Common Responsibility.

(b) Motorized Vehicles. Operation of motorized vehicles with exception of those designed for use by handicapped persons, including, without limitation, any golf carts, electric or gas powered scooters, four-wheelers, go-carts, or similar vehicles, on any walking or jogging trails, sidewalks or other pathways intended for pedestrian traffic.

(c) Pets. Pets which are permitted to roam free, or, in the Board's sole discretion, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units, shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Owners shall clean up behind any Pet while walking such Pet on any Common Area. Pets shall be registered, licensed, and inoculated as required by law.

(d) Nuisance or Offensive Activities. Any noxious or offensive activity which, in the reasonable determination of the Board, tends to cause embarrassment, discomfort, annoyance, or nuisance to the occupants of other Units or persons using the Area of Common Responsibility or other conditions which tend to disturb the peace of or threaten the safety of the occupants of other Units or persons using the Area of Common Responsibility. Without limiting the generality of the foregoing, any activity which emits foul or obnoxious odors outside the Unit, barking dogs, or the use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units (except alarm devices used exclusively for security purposes) are prohibited.

(e) Illegal Activities. Any activity which violates local, state, or federal laws or regulations.

(f) Unsanitary Activities. Any activities which tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit, including, without limitation, accumulation of rubbish, trash, or garbage except between regular garbage collection, and then only in approved containers. Such containers shall be either screened from view or kept inside, except as reasonably necessary for garbage collections;

(g) Burning. Outside burning of trash, leaves, debris, or other materials, except during the normal course of constructing a dwelling on a Unit;

(h) Firearms/Fireworks. Discharge of firearms, firecrackers, fireworks or other explosive devices.

(i) Dumping. Dumping grass clippings, leaves, or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Community, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff, and Declarant and builders may dump and bury rocks and trees removed from a building site on such building site.

(j) Storage. On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and for operation of lawn mowers and similar tools or equipment, and the HOA shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Article V.

(k) Wildlife. Capturing, trapping, or killing of wildlife within the Community, except in circumstances posing an imminent threat to the safety of persons using the Community.

(l) Environment. Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Community.

(m) Time-Sharing. Use of any Unit for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program.

(n) Subdivision of Property. Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit, after a subdivision plat including such Unit has been approved and Recorded, except that Declarant shall be permitted to subdivide or re-plat Units which it owns.

(o) Unightly Structures. Structures, equipment, or other items on the exterior portions of a Unit which have become rusty, dilapidated, or otherwise fallen into disrepair.

EXHIBIT "D"

**BYLAWS
OF
WOODSIDE AT WATERS EDGE HOMEOWNERS ASSOCIATION, INC.**

BYLAWS
OF
WOODSIDE AT WATERS EDGE HOMEOWNERS ASSOCIATION, INC.
A South Carolina Nonprofit Mutual Benefit Corporation

Pursuant to the provisions of the South Carolina Nonprofit Corporation Act, the Board of Directors of Woodside at Waters Edge Homeowners Association, Inc., a South Carolina nonprofit mutual benefit corporation, has or intends to adopt the following Bylaws for such corporation.

ARTICLE I
NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1.1 Name.

The name of the corporation is Woodside at Waters Edge Homeowners Association, Inc. (the "Association").

1.2 Principal Office.

The Association's principal office shall be located in Horry County, South Carolina. The Association may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may determine or as the Association's affairs require.

1.3 Definitions.

The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions, and Restrictions for Woodside at Waters Edge Homeowners Association, Inc., filed in the Office of Register of Deeds for Horry County, South Carolina, as it may be supplemented and amended (the "Declaration"), unless the context indicates otherwise.

ARTICLE II
ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

2.1 Members.

Each Owner of a Unit (as defined in the Declaration) shall be a Member of the Association. The Association shall have two classes of membership as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference subject to such terms and conditions as set forth in the Declaration and these Bylaws.

2.2 Notice of Ownership.

In order to confirm Membership, upon purchasing a Unit in Woodside at Waters Edge, the Owner of such Unit shall promptly furnish to the Association a legible copy of the instrument conveying ownership to the Owner, which copy shall be maintained in the records of the Association.

2.3 Place of Meetings.

Association meetings shall be held at the Association's principal office or at such other suitable place convenient to the Members as the Board may designate.

2.4 Annual Meetings.

The first Association meeting, whether a regular or special meeting, shall be held not later than one hundred twenty (120) days after the Class B Membership shall cease to exist and be converted to a Class A Membership as set forth in the Declaration, unless otherwise set by the Declarant. Attendance at an Annual Meetings shall limited to the Members of the Association and the Board. The Board shall have the right to allow Persons who are not Members to attend any Annual Meeting of the Members, as the Board may determine in its sole discretion. Subsequent regular Annual Meetings shall be held each calendar year at a time set by the Board.

2.5 Special Meetings.

The President may call Special Meetings. In addition, it shall be the duty of the President to call a Special Meeting of the Association if so directed by resolution of the Board or upon a petition signed by at least twenty-five percent (25%) of the voting interest of the Members. The notice of any Special Meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a Special Meeting, except as stated in the notice.

2.6 Notice of Meetings.

It shall be the duty of the Secretary of the Association to provide each Member (as shown in the records of the Association) a notice of each Annual or Special Meeting of the Members stating the time and place where said meeting is to be held and in the notice of a Special Meeting, the purpose thereof. Notices for annual and Special Meetings shall be served at least thirty (30) days but not more than sixty (60) days in advance of such meeting.

Notices for both Annual and Special Meetings shall be deemed delivered using one of the following methods: (a) Five (5) business days after Notice is deposited with the U.S. Postal Service as evidenced by its postmark with first class postage affixed; or (b) the Notice was personally delivered to a Member; or (c) the Notice is delivered to Member via a nationally recognized overnight courier service; or (d) the Notice is delivered to Member via electronic mail evidenced by a read receipt.

2.7 Waiver of Notice.

Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice either before or after such meeting. Attendance at a meeting shall be deemed waiver by such Members of notice of the time, date, and place thereof. Attendance also shall be deemed waiver of notice of all business transacted at such meeting.

2.8 Adjournment of Meetings.

If any meeting of the Association cannot be held because a quorum is not present a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time

the original meeting was called. At any such adjourned meeting, the necessary quorum shall be eighty (80%) percent of the votes represented by the Members who were present either in person or by proxy at the original meeting, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.9 Voting.

The Declaration shall set forth the Member's voting rights; such voting rights provisions are specifically incorporated by this reference.

2.10 Authority of Person Voting.

The Board shall have the authority to determine, in its sole discretion, whether any person claiming to have authority to vote on behalf of or as a Member has such authority. If the Member is a corporation, partnership, limited liability company, trust, or similar entity, the Association may require the person purporting to vote on behalf of such Member to provide reasonable evidence that such person (the "Agent") has authority to vote for such Member. Unless the authority of the Agent is challenged in writing at or before the time of voting, or is challenged orally at the time of voting, the Association may accept such Agent as a person authorized to vote for such Member, regardless of whether evidence of such authority is provided.

2.11 Proxies.

At all meetings a Member may vote in person or by proxy. All proxies shall be in writing, signed by the member providing the proxy, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable. All proxies shall automatically terminate ninety (90) days after the date of said proxy.

2.12 Majority.

As used in these Bylaws, the term "majority" shall mean the voting interest of the Members, or other group as the context may indicate, totaling more than fifty percent (50%) of the votes of Members at a meeting at which a quorum is present.

2.13 Quorum

At all meetings of Members, regular or special, the presence, in person or by proxy, of at least fifty-one percent (51%) of the total eligible votes of the Association shall constitute a quorum. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. Any amendment to this Section shall comply with the provisions of Section 33-31-1023 of the South Carolina Nonprofit Corporation Act.

2.14 Conduct of Meetings.

The President shall preside over all Association meetings, and the Secretary shall keep the minutes of the meetings and record in the minute book all resolutions adopted and all other transactions occurring at such meetings. Further, Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation, the Declaration, these By-Laws or the statutes of the State of South Carolina.

2.15 Action Without a Meeting.

Any action to be taken at a meeting of the Members, or which may be taken at a meeting of the Members, may be taken without a meeting if written consents setting forth the action so taken are signed by Members holding at least eighty percent (80%) of the Association's voting power. Action taken without a meeting shall be effective on the date that the last consent is executed or, if required, the date Declarant consents to the action unless a later effective date is specified therein. Each signed consent shall be delivered to the Association and shall be included in the minutes of the meetings of the Members filed in the permanent records of the Association.

ARTICLE III

BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

3.1 Governing Body; Composition.

The business and affairs of the Association shall be governed by a Board of Directors. Each director shall have one equal vote. Except with respect to directors appointed by Declarant during the Declarant Control Period, the directors shall be Members or Residents of the Community; provided, however, that no two persons, being either Owners or Residents, of any one Unit may serve on the Board at the same time. A "Resident" shall be any person eighteen (18) years of age or older whose principal residence is a residence within the Community. In the case of a Member which is not an individual, any officer, director, partner, member or manager of a limited liability company, or trust officer of such Member shall be eligible to serve as a director unless a written notice to the Association signed by such Member specifies otherwise; however, no Member may have more than one such representative on the Board at the time, except in the case of directors appointed by Declarant.

3.2 Number of Directors

The initial Board shall consist of three (3) directors designated in the Articles of Incorporation. Thereafter, the Board shall consist of three (3) to seven (7) directors, as provided in Section 3.4 below.

3.3 Nomination and Election Procedures.

(a) Nomination of Directors. Except with respect to directors appointed by Declarant during the existence of the Class B Membership, nominations for election to the Board shall be made by a "Nominating Committee." The Nominating Committee shall consist of a Chairman, who shall be a Board member, and three (3) or more Members or representatives of Members. The Board shall appoint the Nominating Committee not less than thirty (30) days prior to each election to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such election. The Nominating Committee shall make as many nominations for election to the Board as it shall, in its discretion, determine, but in no event less than the number of positions to be filled as provided in Section 3.4 below. Nominations shall also be permitted from the floor. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which

exists within the pool of potential candidates. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3.4 Election and Term of Office.

(a) During the Declarant Control Period. During the Declarant Control Period as defined in the Declaration, the Declarant shall have the sole and exclusive right to appoint and to remove the directors of the Association. Notwithstanding its right to appoint and remove officers and directors of the Association, Declarant reserves the right to approve or disapprove specified actions of the Association as provided in Section 3.18 herein.

(b) After the Termination of the Declarant Control Period. Upon termination of the Declarant Control Period as defined in the Declaration, directors shall be elected by the Members and hold office as follows:

(i) The Association shall call a Special Meeting to be held at which Members shall elect five (5) directors to serve until the next annual meeting of the Members. At the next Annual Meeting of the Members following termination of the Declarant Control Period, the Members shall elect two (2) directors for an initial term of two (2) years and one (1) director for an initial term of one (1) year. At the expiration of the initial term of office of each director, a successor shall be elected to serve for a term of two (2) years. The directors shall hold office until their respective successors shall have been elected by the Association.

(ii) Thereafter, directors shall be elected at the Association's Annual Meeting. Each Member shall cast the entire vote assigned to his Unit for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

(iii) After the termination of the Declarant Control Period, as defined in the Declaration, upon the affirmative vote of sixty-seven (67%) percent of the Members the number of directors may be expanded to any odd number up to and including seven (7) directors. In the event the Members vote to expand the Board, the additional directors shall each serve a term of two (2) years on a staggered basis such that in one year three (3) directors would be elected for a term of two (2) years, and the following year either two (2) or four (4) directors would be elected for a term of two (2) years each, depending on total number of directors.

3.5 Removal of Directors and Vacancies.

At any regular or special meeting of the Association duly called, any one or more directors may be removed, with or without cause, by a vote of a majority of the voting interest of the Members and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Members shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who had three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the remaining directors at a meeting.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next Annual Meeting, at which time the Members may elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by Declarant. Declarant shall be entitled to appoint or remove Directors at any time during the Declarant Control Period. Thereafter, Declarant may appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a director it has appointed.

B. Meetings.

3.6 Annual Meetings.

The Board shall hold an annual meeting within thirty (30) days following each Annual Meeting of the Members at such time and place the Board shall fix.

3.7 Regular Meetings.

The Board may hold regular meetings at such time and place a majority of the directors shall determine, but the Board shall hold at least four (4) such meetings during each fiscal year with at least one per quarter. The Board shall give notice of the time and place of a regular meeting to directors not less than six (6) days prior to the meeting; provided, the Board need not give notice of a meeting to any director who has signed a waiver of notice or a written consent to holding the meeting.

3.8 Special Meetings.

The Board may hold special meetings when called by written notice signed by the President, the Vice President, or any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at the director's address as shown on the Association's records. Notices sent by first class mail shall be deposited into a United States mailbox at least six (6) business days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic communication shall be delivered or communicated at least seventy-two (72) hours before the time set for the meeting. Notices of such meetings shall also be delivered to the Members contemporaneously with the directors' notices.

3.9 Waiver of Notice.

The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present; and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10 Telephonic Participation in Meetings.

Members of the Board or any committee the Board designates may participate in a meeting of the Board or committee by means of conference telephone or similar communications

equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence at such meeting.

3.11 Quorum of Board of Directors.

At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless the Bylaws or the Declaration specifically provide otherwise. A meeting at which a quorum is present initially may continue to transact business notwithstanding the withdrawal of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present the Board may transact without further notice any business which it might have transacted at the original meeting. Any amendments to this Section shall comply with the provisions of the Section 33-31-1024 of the South Carolina Nonprofit Corporation Act.

3.12 Compensation.

Directors shall not receive any compensation from the Association for acting as such. The Association may reimburse any director for expenses incurred on the Association's behalf. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies he or she furnishes to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director makes his or her interest known to the Board prior to entering into such contract and a majority of the Board, excluding the interested director, approves such contract.

3.13 Conduct of Meetings.

The President shall preside over all Board meetings, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.14 Open Meetings.

Subject to the provisions of Section 3.15, all Board meetings shall be open to all Members, but attendees other than directors may not participate in any discussion or deliberation unless a director requests permission for that person to speak. In such case, the President may limit the time such person may speak. Notwithstanding the above, the President may adjourn any Board meeting and reconvene in Executive Session.

3.15 Executive Sessions. Only directors are entitled to participate and attend Executive Sessions. The following matters are open for discussion and action by the Board in Executive Session:

- (a) matters pertaining to Association employees, management companies, or involving the employment, promotion, discipline, or dismissal of an officer, contractor, agent or employee of the Association;
- (b) matters pertaining to contracts with third parties;

(b) matters involving disputes that are the subject of pending, imminent or threatened court proceedings, settlement strategies or matters that are privileged or confidential between attorney and client; however the Board's attorney does not have to be present in any way during the Executive Session;

(c) investigative proceedings concerning possible or actual criminal conduct;

(d) matters subject to specific constitutional, statutory; or judicially imposed requirements protecting particular proceedings or matters from public disclosure;

(e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;

(f) any actions taken against employees and Association members for disciplinary reasons, provided however the employee or Member has a right to be present for the portion of the Executive Session related to the disciplinary action against said employee or Member;

(g) matters involving delinquency in payment of assessments, including but not limited to engaging an attorney to collect delinquencies; and,

(h) matters involving the preparation of an annual budget for the Association.

3.16 Action Without a Formal Meeting.

Any action to be taken at a meeting of the directors, or any action that may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.17 Powers.

The Board shall have all of the powers and duties necessary for managing the business and affairs of the Association and for performing all responsibilities and exercising all of the Association's rights as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done all acts and things not limited by the Governing Documents or South Carolina law to be done and exercised exclusively by the Members.

3.18 Duties.

The Board's duties shall include, without limitation:

(a) causing to be prepared and adopting, in accordance with the Declaration and these By-Laws, an annual budget establishing each Member's share of the Common Expenses

(b) levying and collecting such assessments from the Members;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility and entering into agreements with adjacent property owners to allocate maintenance responsibilities and costs of certain public rights-of-way and other property within or adjacent to the Community;

(d) designating, hiring, and dismissing the personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for the

compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' business judgment, in depositories other than banks;

(f) adopting, modifying and amending Rules and Regulations in accordance with the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the maintenance repairs, additions, and improvements to or alterations of the Area of Common Responsibility in accordance with the Governing Documents;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association's obligation in this regard shall be conditioned in the manner provided in the Declaration;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;

(n) permitting utility suppliers to use portions of the Area of Common Responsibility reasonably necessary to the ongoing development or operation of the Community;

(o) indemnifying the Association director, officer, or committee member, or former Association director, officer, or committee member to the extent such indemnity is required by South Carolina law, the Articles of Incorporation, or the Declaration; and

(p) assisting in the resolution of disputes between Owners and others without litigation, as set forth in the Declaration.

3.18 Right of Declarant to Disapprove Actions.

During Declarant Control Period as defined in the Declaration, Declarant shall have the unilateral right, to be exercised in its sole and exclusive discretion, to disapprove any of the following: (i) any action, policy, or program taken or adopted by the Membership of the Association; (ii) any action, policy, or program taken or adopted by the Board, or any committee acting pursuant to authority granted by the Board; (iii) any action, policy, or program taken or adopted by any Officer of Association.

(a) The Association shall give Declarant written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board, or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the

Association, which notice complies as to the Board meetings with these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Association shall give Declarant the opportunity at any such meeting to participate or to have its representatives or agents participate in discussion from the floor with reference to any prospective action, policy, or program.

(c) Declarant, its representatives, or agents shall make its concerns, thoughts, and suggestions known to the Members, Board and/or the members of the subject committee, as is appropriate. Declarant, acting through any officer, director, agent or authorized representative, may exercise its right to disapprove of any action, policy or program at any time prior to or within thirty (30) days following the meeting at which such action, policy or program was proposed or, in the case of any action, policy or program taken or adopted by written consent in lieu of a meeting, at any time prior to the proposed action, policy or program taking effect or within thirty (30) days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions.

3.19 Management.

The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. Declarant or an affiliate of Declarant may be employed as managing agent or manager.

The Board may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

3.20 Accounts and Reports.

The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) the Association's cash accounts shall not be commingled with any other accounts;

(d) the managing agent shall accept no remuneration from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, services fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) the managing agent shall disclose to the Board promptly any financial or other interest which the managing agent may have in any firm providing goods or services to the Association;

(f) an annual report consisting of at least the following shall be made available to all Members within one-hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled

basis, as the Board determines, by an independent public accountant; however, upon written request of any holder, guarantor, or insurer of any first Mortgage on a Unit, the Association shall provide an audited financial statement.

3.21 Borrowing.

The Association shall have the power to borrow money for any legal purpose; however, the Board shall obtain Member approval in the same manner provided in the Declaration regarding Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed twenty percent (20%) of the Association's budgeted gross expenses for that fiscal year. No Mortgage lien shall be placed on any portion of the Common Property without the affirmative vote or written consent, or any combination thereof, of Members representing at least eighty percent (80%) of the total vote in the Association.

3.22 Right to Contract.

The Board, on behalf of the Association shall have the right to contract with any Person for the performance of duties and functions related to the operation, maintenance and business affairs of the Association. This right shall also include, without limitation, the right to enter into common management, operational, amenity sharing or other agreements with third-parties, including other residential or nonresidential owners' associations for properties outside the Community.

3.23 Enforcement.

In addition to such other rights as are specifically granted under the Declaration, the Board shall have the power to impose reasonable monetary fines, which shall constitute a lien upon the Unit of the violator, and to suspend an Owner's right to vote for violation of any duty imposed under the Governing Documents. In addition, the Board may suspend any services the Association provides to an Owner or an Owner's Unit if the Owner is more than sixty (60) days delinquent in paying any assessment or other charges owed to the Association. In the event that any occupant, tenant, employee, guest or invitee of a Unit violates the Governing Documents and a fine is imposed, the Association shall first assess the fine against the occupant, tenant, employee, guest, or invitee; however, if the occupant does not pay the fine within the time period the Board sets, the Owner shall pay the fine upon notice from the Association. The Board's failure to enforce any provision of the Governing Documents shall not be deemed a waiver of the Board's right to do so thereafter.

(a) Notice. Prior to imposition of certain sanctions requiring notice under the Declaration, the Board, or its delegate, shall serve the alleged violator with written notice describing (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a period of not less than ten (10) days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; however, the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Board in Executive Session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by self help (specifically including, but not limited to, towing vehicles that are in violation of parking rules) or, following compliance with the dispute resolution procedures set forth in Article XIV of the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessary compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or Person responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry onto a Unit for purposes or exercising this power of self help shall not be deemed as trespass.

3.24 Board Standards.

While conducting the Association's business affairs, the Board shall be protected by the business judgment rule. The business judgment rule protects a director appointed by Declarant from personal liability so long as the director: (i) serves in a manner the director believes to be in the best interests of the Association and the Members; or (ii) serves in good faith. The business judgment rule protects a director not appointed by Declarant from liability for actions taken or omissions made in the performance of such director's duties, except for liability for wanton and willful acts or omissions.

In fulfilling its governance responsibilities, the Board's actions shall be governed and tested by the rule of reasonableness. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

The burden of proof in any challenge to an action or inaction by a director shall be on the party asserting liability.

The operational standards of the Board and any committee the Board appoints shall be the requirements set forth in the Governing Documents or the minimum standards which Declarant, the Board, and the Architectural Review Committee may establish. Such standard shall, in all cases, meet or exceed the standards set by Declarant and the Board during the Declarant Control Period. Operational standards may evolve as the needs and demands of the Community change.

ARTICLE IV OFFICERS

4.1 Officers.

The Association's officers shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the Board members; other officers may, but need not be Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. The same person may hold any two (2) or more offices, except the offices of the President and Secretary. Moreover, the Secretary shall be responsible for preparing minutes of all directors' and Members' meetings and for authenticating records of the corporation.

4.2 Election and Term of Office.

The Board shall elect the officers of the Association at the first Board meeting following each annual meeting of the Members, to serve until their successors are elected.

4.3 Removal and Vacancies.

The Board may remove any officer whenever in its judgment the Association's interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4 Powers and Duties.

The Association's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be the Association's chief executive officer. The Secretary shall prepare, execute, certify, and Record amendments to the Declaration as provided in Section 16.3 of the Declaration. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent or both.

4.5 Resignation.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Agreements, Contracts, Deeds, Leases, Checks, Etc.

All agreements, contracts, deeds, leases, checks and other Association instruments shall be executed by at least two (2) officers or by such other person or persons as a Board resolution may designate.

4.7 Compensation.

Officers' compensation shall be subject to the same limitations as directors' compensation under Section 3.12.

ARTICLE V COMMITTEES

The Board may create committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. The Board shall have the authority to appoint and remove the members of any such created committee. Each committee shall operate in accordance with the terms of the resolution creating such committee. All committees shall report to the Board.

ARTICLE VI MISCELLANEOUS

6.1 Fiscal Year.

The Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2 Parliamentary Rules.

Except as may be modified by Board resolution, Robert's Rules of Order (the then current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law or the Governing Documents.

6.3 Conflicts.

If there are conflicts between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing, at any reasonable time and place as determined by the Board and for a purpose reasonably related to his or her interest in a Unit the following:

- (i) the Declaration, Bylaws, and Articles of Incorporation, including any amendments, any Supplemental Declarations;
- (ii) the current Rules and Regulations of the Association;
- (iii) the current Membership register in alphabetical order including the name and address of each Member;
- (iv) the annual financial report as defined in Section 3.20(f) of these By-Laws for the previous three years from the date of the request;
- (v) the minutes of meetings of the Members, the Board and committees for the previous three years from the date of the request.

(b) Rules for Inspection. The Board shall provide for such inspection to take place at the Association's office or at such other place as the Board shall designate. The Board shall establish rules with respect to:

- (i) the location of the records available for inspection;
- (ii) notice to be given to the custodian of the records;
- (iii) hours and days of the week when such an inspection may be made;
- (iv) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right, at any reasonable time, to inspect all Association books, records, and documents and the physical properties the Association owns or controls. The director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

6.5 Notices.

Unless the Declaration or these Bylaws otherwise provide, all notices, demands, bills, statements, or other communications under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, unless such Notice is pursuant to Section 3.23 of these Bylaws, then such notice shall be provided to the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section

6.6 Amendment.

(a) By Declarant. During the Declarant Control Period, Declarant unilaterally may amend these Bylaws for any purpose. Thereafter, Declarant or the Board unilaterally may amend these Bylaws at any time, and from time to time, if such amendment is necessary: (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; or (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Units; provided, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing.

(b) By Members Generally. Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing greater than seventy-five percent (75%) of the total vote in the Association, and the consent of Declarant, during Declarant Control Period. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) FHA/VA Approval of Amendments. The U.S. Department of Veterans Affairs (if it is guaranteeing Mortgages in the Community or has issued a project approval for the guaranteeing of such Mortgages) and/or the U.S. Department of Housing and Urban Development (if it is then insuring any Mortgage in the Community or has issued a project approval for the insuring of such Mortgages) shall have the right to veto amendments to these Bylaws during the Declarant Control Period.

(d) Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon Recordation, unless the amendment specifies a later effective date. Any procedural challenge to an amendment must be made within one year of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws. The Secretary shall prepare, execute, certify, and Record amendments to these Bylaws.

No amendment may remove, revoke, or modify any of Declarant's rights or privileges without its written consent during the Declarant Control Period.

*****EXHIBIT ONLY – DO NOT SIGN*****

EXHIBIT "E"
RULES OF ARBITRATION
FOR
WOODSIDE AT WATERS EDGE HOMEOWNERS ASSOCIATION, INC.

EXHIBIT "E"

Rules of Arbitration

1. Claimant shall submit a Claim to arbitration under these Rules by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought and Claimant's submission of the Claim to arbitration ("Arbitration Notice").

2. The Parties shall select arbitrators ("Party Appointed Arbitrators") as follows: all the Claimants shall agree upon one Party Appointed Arbitrator, and all the Respondents shall agree upon one Party Appointed Arbitrator. The Party Appointed Arbitrators shall, by agreement, select one neutral arbitrator ("Neutral") so that the total arbitration panel ("Panel") has three arbitrators.

3. If the Panel is not selected under Rule 2 within forty-five (45) days from the date of the Arbitration Notice, any party may notify the nearest chapter of The Community Association Institute, for any dispute arising under the Governing Documents, or the American Arbitration Association, or such other independent body providing arbitration services, for any dispute relating to the design or construction of improvements on the Properties, which shall appoint one Neutral ("Appointed Neutral"), notifying the Appointed Neutral and all Parties in writing of such appointment. The Appointed Neutral shall thereafter be the sole arbitrator and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.

4. No person may serve as a Neutral in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral or Appointed Neutral shall immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Neutral or Appointed Neutral after receipt of that Neutral's Bias Disclosure, such Neutral or Appointed Neutral shall be replaced in the same manner in which that Neutral or Appointed Neutral was selected.

5. The Appointed Neutral or Neutral, as the case may be, ("Arbitrator") shall fix the date, time, and place for the hearing. The place of the hearing shall be within Tuscany unless otherwise agreed by the Parties. In fixing the date of the hearing, or in continuing a hearing, the Arbitrator shall take into consideration the amount of time reasonably required to determine Claimant's damages accurately.

6. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings. In the event the Respondent fails to participate in the arbitration proceeding, the Arbitrator may not enter an Award by default, but shall hear Claimant's case and decide accordingly.

7. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings. The Arbitrator shall determine any relevant legal issues, including whether all indispensable parties are Bound Parties or whether the claim is barred by the statute of limitations.

8. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties. The Arbitrator may issue such orders as he or she deems necessary to safeguard rights of the Parties in the dispute without prejudice to the rights of the Parties or the final determination of the dispute.

9. If the Arbitrator decides that he or she has insufficient expertise to determine a relevant issue raised during arbitration, the Arbitrator may retain the services of an independent expert who will assist the Arbitrator in making the necessary determination. The scope of such professional's assistance shall be determined by the Arbitrator in the his or her own discretion. Such independent professional must not have any bias or financial or personal interest in the outcome of the arbitration and shall immediately notify the Parties of any such bias or interest by delivering a Bias Disclosure to the Parties. If any Party objects to the service of any professional after receipt of a Bias Disclosure, such professional shall be replaced by another independent licensed professional selected by the Arbitrator.

10. No formal discovery shall be conducted in the absence of order of the Arbitrator or express written agreement among all the Parties. The only evidence to be presented at the hearing shall be that which is disclosed to all Parties at least 30 days prior to the hearing; however, no Party shall deliberately withhold or refuse to disclose any evidence which is relevant and material to the Claim and is not otherwise privileged. The Parties may offer such evidence as is relevant and material to the Claim and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.

11. The Arbitrator shall declare the hearings closed when he or she is satisfied the record is complete.

12. There will be no post hearing briefs.

13. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, signed by the Arbitrator, and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.

14. If there is more than one arbitrator, all decisions of the Panel, including the Award, shall be by majority vote. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.