

STATE OF SOUTH CAROLINA) DECLARATION OF COVENANTS, CONDITIONS,  
) RESTRICTIONS AND EASEMENTS FOR ✓  
COUNTY OF LEXINGTON ) ✓ COTTAGES AT INDIGO AND COTTAGES AT  
INDIGO HOMEOWNERS ASSOCIATION

This Declaration made on the date hereinafter set forth by Indigo Place, LLC, hereinafter referred to as "Developer". The term "Grantee" hereinafter shall refer to the person or persons to whom a deed is titled and delivered. For remainder of this document, Developer may also mean Architectural Review Board and or Nominee.

WHEREAS, Developer, in order to maintain the value and integrity of said lands, desires to subject said lands to the covenants, restrictions, conditions and easements hereinafter set forth, each and all of which are hereby declared to be for the benefit fo each and every owner of any and all parts thereof:

WHEREAS, Developer for itself, it's successors and assigns, hereby imposes that covenants, conditions, restrictions and easements hereinafter described, which easements shall be perpetual in duration unless otherwise provided, on the above described lands owned by the Developer, and which shall run with the title to said lands and shall be binding upon and insure to the benefit of all parties having any right, title or interest in said lands or any part thereof, their heirs, personal representatives, successors and assigns, and shall insure to the benefit of each owner thereof.

ARTICLE I

WHEREAS, the Developer does intend and does hereinafter incorporate phases of development into this DECLARATION OF COVENANTS, providing for the COTTAGES AT INDIGO HOMEOWNERS ASSOCIATION, a non-profit corporation, to be duly organized under the laws of the State of South Carolina.

NOW, THEREFORE, acceptance of a deed to any lot constitutes agreement to the provisions of this article by Grantee, Grantee's successors or assigns.

1. Architectural Review Board

No building, fence, basketball goal, doghouse, gazebo or any other structure of any kind shall be begun, erected or placed on said lot until the building plans, specifications, design and plot plan showing the location of such building, fence, basketball goal, doghouse, gazebo or structure on the lot in question have first been approved by Developer or Developer's nominee or some other person or persons designated by the Developer in writing as to conformity in size, type and quality, and as to harmony of design with the proposed or existing structures in the general area, and as to location of the building, fence, basketball goal, doghouse, gazebo or structure with respect to topography and ground elevation; also, all plans and budget for landscaping said lot are to be approved in writing

by Developer, or his nominee, as aforesaid. The approval or disapproval as required in these covenants shall be in writing. In the event the Developer, or his nominee shall fail to approve or disapprove within thirty (30) days after plans and specifications have been submitted to the Developer, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

2. Two and one-half story limit.

Without the prior approval of the Developer, the height of a living unit on a lot shall not be more than Two and one-half (2 1/2) story above the normal surface of the ground, not including a basement.

3. Minimum Set-Back.

No building, other structure or any improvement shall be located within Twenty (20) feet of the front right of way, five (5) feet from any side lot line or Ten (10) feet from any rear lot line or perimeter boundary.

4. Timeliness of Construction.

Construction of the house shall take no longer than twelve (12) months. The time period shall start when the foundation or basement is dug and end when the later of these two occurs: Exterior of the house is complete or the landscaping of the lot. Construction shall start within two (2) years of closing on said lot.

5. Construction Trash.

At all times during construction there shall be located on the lot trash cans and other suitable containers and areas for disposing of debris. THE OWNER MUST SEE THAT HIS GENERAL CONTRACTOR AND SUBCONTRACTOR KEEP THE CONSTRUCTION SITE CLEAN AT ALL TIMES.

6. Maintenance.

Maintenance and general upkeep of the lot and improvements is required. If the appearance of the lot and improvements begins to lower the quality and harmony of the subdivision, the Developer or his Nominee will notify lot owner in writing and give lot owner fifteen (15) days to rectify any problems and if lot owner fails to act within fifteen (15) days, the Developer or his Nominee has the right to subcontract maintenance and general upkeep for the lot owner. The lot owner will bear these expenses. The said lot must also be maintained at the same level or better than it was at the purchase date until construction begins.

7. Dwelling Quality and Size.

- (A) No dwelling shall be erected on any lot having less than 1,400 square feet of heated area. All garages opening on front of the dwelling must have automatic door opener and closure and must be kept closed except for specific use as when entering and exiting.
- (B) All driveways shall be constructed of concrete unless otherwise approved by the Developer.

ARTICLE II

WHEREAS, the Declarant intends to provide for "Members of the Association" as those terms are hereinafter defined, and

WHEREAS, it is the intention and desire of the Declarant to provide for:

- (i) the ownership and maintenance of certain common areas created and/or established within the confines of COTTAGES AT INDIGO SUBDIVISION; and,
- (ii) the preservation of the values of the properties of the COTTAGES AT INDIGO SUBDIVISION; and,
- (iii) the rendering of community services, including, but not limited to, community lighting; community water to common areas owned by the homeowners association; and,
- (iv) the vehicle necessary for the administration and the enforcement of the certain covenants and restrictions applicable to the COTTAGES AT INDIGO SUBDIVISION at the time Declarant transfers the common area(s) to the COTTAGES AT INDIGO HOMEOWNERS ASSOCIATION; and,

WHEREAS, Declarant intends to relinquish the control and to transfer the ownership, management, and control of the COTTAGES AT INDIGO HOMEOWNERS ASSOCIATION, to the Owners of a "Lot" (as hereinafter defined) at the time the Declarant deeds the common areas within the developed property to the homeowners association;

NOW THEREFORE, the Declarant hereby declares that the covenants contained herein shall be covenants running with the land and shall be in addition to and complimentary to any other Covenants, Restrictions, Easements, Charges and Liens of record and shall apply to the lands described in Exhibit "A" attached hereto and any other real property Declarant may hereafter acquire and incorporate herein and as may be placed from time to time under the coverage hereof by the Declarant by incorporating this Declaration by specific reference. The Declarant reserves in each

instance the right to add additional restrictive covenants with respect to land owned by it and covered hereby and to limit the application of this Declaration to lands owned by it and subjected hereto in the future.

Item 1  
DEFINITIONS

- A. “Association” shall mean and refer to the COTTAGES AT INDIGO HOMEOWNERS ASSOCIATION, a nonprofit corporation to be organized under the laws of the State of South Carolina, its successor and assigns.
- B. “Common Property” shall mean and refer to certain property which is deeded to the Association for the use and benefit of its members and any personal property acquired by the Association. All Common Property is to be devoted to and intended for the common use and enjoyment of the Owners, Residents and their guests.
- C. “Declarant” or “Developer” shall mean and refer to INDIGO PLACE, LLC, a South Carolina corporation, its successors and assigns.
- D. “Declaration” shall mean and refer to this Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to the COTTAGES AT INDIGO SUBDIVISION and HOMEOWNERS ASSOCIATION.
- E. “Declaration of Covenants, Etc.” shall mean and refer to this Declaration of Covenants and Restrictions providing for the COTTAGES AT INDIGO HOMEOWNERS ASSOCIATION.
- F. “Lot” shall mean and refer to those portions of the Property upon which Declarant has constructed a Home or other improvements for sale, use and occupancy as a single-family residential dwelling in conformity with the terms of this Declaration of Covenants, Etc. as will be shown, with respect to the land described in Exhibit “A”, on a plat which will be filed of record by Declarant prior to the conveyance of the first Home to the purchaser thereof, and, with regard to the Additional Property, on plats which will be filed of record by Declarant at the appropriate time.
- G. “Owner” shall mean and refer to the owner (including Declarant) as shown by the real estate records in the Office of the Register of Deeds (R.O.D.) of Lexington County, S.C., whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Lot and Home located within COTTAGES AT INDIGO SUBDIVISION, but notwithstanding any applicable theory of a mortgage or deed to secure debt, shall not mean or refer to the mortgagee or holder of a deed to secure debt, its successors assigns, unless and until such mortgagee or holder of a deed to secure debt has acquired title pursuant to foreclosure

or by a proceeding or by a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Office of the R.O.D. of Lexington County, South Carolina, a long-term contract of sale covering any Lot, the Owner of such Lot shall be deemed to be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one in which the purchaser is required to make payments for the Lot for a period extending beyond nine (9) months from the date of such contract, and in which the purchaser does not receive title to the property until such payments are made, although the purchaser is given the use of said property.

- H. "COTTAGES AT INDIGO SUBDIVISION" shall mean and refer to the lots in Lexington County, South Carolina, on the Property.
- I. "Property" unless the context shall otherwise require, shall mean and refer to that tract or parcel of land described on "Exhibit "A", together with all improvements thereon.
- J. "Home" or "Family Dwelling Unit" shall mean a single family dwelling unit constructed on any Lot.

## ITEM II

### ADDITIONAL COVENANTS, RESTRICTIONS, AND AFFIRMATIVE OBLIGATIONS APPLICABLE TO ALL LOTS IN COTTAGES AT INDIGO SUBDIVISION

- A. Purpose. The primary purpose of this Declaration and the foremost consideration in the origin of same has been the creation of a fee simple Home development which is aesthetically pleasing and functionally convenient.
- B. Residential Use. Each Lot and the Home constructed thereon shall be used for residential purposes exclusively. No business or commercial activity of any nature shall be maintained in any Home, including by way of illustration and not by way of limitation, telephone answering services, manufacturer's representatives, interior decoration services, and such other activities as do not directly constitute or necessitate the transfer of goods or merchandise from, in or about a Home. However, until such time as Declarant has sold all of the Lots in COTTAGES AT INDIGO SUBDIVISION, it may use any Home which it owns as a model unit or as a sales office.

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NOTWITHSTANDING THE ESTABLISHMENT OF HOMES AT INDIGO PLACE SUBDIVISION AND THE SUBMISSION OF THE PROPERTY TO THE TERMS AND

CONDITIONS OF THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, OBLIGATIONS, GRANTS, AND EASEMENTS, INDIGO PLACE SUBDIVISION IS NOT A CONDOMINIUM PROJECT AS DEFINED IN THE HORIZONTAL PROPERTY ACT, CODE OF LAWS OF SOUTH CAROLINA, 1976 SECTION 27-31-10, et seq.

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C. Permitted Structures. No Structure shall be erected, placed or permitted to remain on any Lot other than the following:

1. One single-family Home to be used as a dwelling.
2. Landscaping structures of the type compatible with the Homes built in COTTAGES AT INDIGO SUBDIVISION, including, but not limited to, garden walls, walks, fences, driveways and parking areas.

D. Architectural Approvals.

1. Alterations to Homes: No Owner shall make modifications or alterations to such Owner's Home which affect the structural integrity or soundness of the improvements located on the Property without previously obtaining the written approval of the Association. Changes to the interior of a Home which do not affect the structural integrity or soundness or the improvements located on the Property may be made without the approval of the Association.
2. Landscaping Alterations: No owner shall make alterations, modifications, or changes to the landscaping including, but not limited to, the removing, planting, or placing of trees, shrubbery, bushes, grass, or ground cover, or the constructions or removal of walls, fences, fountains, pools, ponds, streams, gardens, decks, or patios without previously obtaining written consent of the Association; provided, however, if shrubbery located on such a portion of a Lot should die, the Association shall be responsible for its removal, (unless the Owner shall have insurance proceeds available for such removal, in which event the Owner shall be responsible for its removal), but the Owner shall, at his expense, replace dead shrubbery with reasonable similar shrubbery; provided, however, that any sch replacements may be of a lesser age.
3. Procedure for Seeking Consent of Association: In order to seek the consent of the Association required hereunder, an Owner shall submit to the President of the Association a written request for consent describing the modification, alteration, or change which the Owner

desires to make. Such request shall be accompanied by full and complete plans and specifications, a site plan, a work schedule and list of those who will be performing the work for the alteration, modification or change which the owner desires to make. The Association shall, in writing, grant or deny a request for its consent within sixty (60) days after receiving a written request from an Owner. If the consent requested is not granted or denied in writing within said sixty (60) day period, then the Association shall be deemed to have given its written consent as requested by the Owner.

4. Discretion of Association in Granting Consent: The Association may base its decision to grant or deny its consent hereunder upon any ground including purely aesthetic considerations, which, in the sole and uncontrolled discretion of the Association, seems sufficient.
- E. Antennas. Air Conditioning Units and Other Objects Located Outside Home. No Owner shall install or permit to be installed television or radio antennae, window or roof-top air conditioning units or similar machines or objects outside of the Owner's Home or which protrude through the walls or roof of a Home, without prior written approval of the Association.
  - F. No Signs. Except for the rights given Declarant under the Declaration of Covenants, Etc., no signs, advertisements, or notices shall be erected, exhibited, maintained, inscribed, painted, or affixed on any portion of a Lot or on any Home by anyone including, but not limited to, an Owner, a realtor, a contractor, or subcontractor, except with the prior written consent of the Association or except as may be required by legal proceedings. If such consent is granted, the Association shall have the right to restrict the size, color, and content of such signs. Residential property identification and like signs not exceeding a combined total of more than one (1) square foot may be exhibited and maintained without the written consent of the Association. Likewise, a sign of not more than five (5) square feet advertising a Lot for sale may be exhibited or maintained during the period for which it is for sale without the consent of the Association.
  - G. No Burning. No outside burning of wood, leaves, trash, garbage or other refuse shall be permitted on any Lot.
  - H. Pets. Except as in this section permitted, no animals, livestock or poultry of any kind shall be kept, raised or bred on any Lot; provided, however, that an Owner may be permitted to keep no more than three (3) normal household pets (i.e., dogs or cats) on his Lot, not to exceed Seventy-Five (75) pounds each in weight. In the event that pets are kept on a Lot, such pets shall not be kept, maintained or bred for any commercial purposes and must be secured by a leash or lead at any time they are permitted outside a Home. In no event shall an Owner maintain on a Lot any pet

which causes distress to other Owners by barking, howling, whining, biting, scratching, or

damaging property. The owner of such pets shall be responsible for the cleaning up after said pets.

- I. No Outbuildings or Temporary Structures. No mobile home, tent, barn, shed, pet pen, pet house, or other similar out building or structures shall be placed on any Lot at any time, either temporarily or permanently without previously obtaining the written approval of the Association. No structure of a temporary character shall be placed upon any Lot at any time.
- J. Parking of Vehicles. No vehicle of any type (including, but not limited to, boats, trailers, trucks, buses, motor homes, recreational vehicles, motor scooter, go carts, motor bikes and campers) other than conventional automobiles and pick-up trucks shall be parked or maintained on any Lot, except in the backyard behind a privacy fence. None of the aforesaid vehicles shall be used as a living area while located on the Property nor shall any of the aforesaid vehicles be repaired or serviced on any portion of the property. Each Lot shall be entitled to two (2) parking spaces in their driveway. No on-street parking is permitted, except temporarily. No on-street overnight parking is permitted (12:00 AM - 6:00 AM).
- K. Activities Causing Disorderly Conditions. The pursuit of hobbies or other activities which might lead to disorderly, unsightly or unkept conditions shall not be pursued or undertaken on any Lot.
- L. Disturbing Others. Each Owner shall be responsible for and shall regulate the occupancy and use of such Owner's Lot and Home so as to not unreasonably disturb other residents of COTTAGES AT INDIGO SUBDIVISION or to interfere unreasonable with the peace and enjoyment of the other Lots and Homes, by the Owners thereof. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done on a lot which creates an annoyance or nuisance to the Owners or residents within COTTAGES AT INDIGO SUBDIVISION. No owner shall allow any disturbing noises on such Owner's Lot to interfere with the rights, comforts, or conveniences of other owners. No Owner shall permit any musical instrument to be played or any phonograph, television, radio, or other sound-making equipment to be operated on such Owner's Lots at a volume which disturbs or annoys other residents of COTTAGES AT INDIGO SUBDIVISION.
- M. Rubbish and Trash. No portion of a Lot shall be used or maintained as a dumping ground for rubbish, trash, or garbage. Trash, garbage, or other waste shall be stored only temporarily awaiting pickup and must be kept in adequate sanitary containers. All equipment for the storage or disposal of trash, garbage, or other waste shall be kept in a clean and sanitary condition.



- N. Maintenance of Home Exterior and Landscaping. Each Owner shall maintain in good condition the exterior of his Home and the landscaping of his Lot.
- O. Interior Window Coverings. All interior window coverings as viewed from the exterior shall be white or off-white in color.
- P. Mailboxes and Property Identification Markers. The developer shall have the right to approve the location, color, size, design, lettering and all other particulars of receptacles, as well as property identification markers. All such receptacles shall conform and be maintained specifically in accordance with the approved design. Any replacement shall be an exact replica from the supplier designated by the developer/ Architectural review board.
- Q. Street Lights. Monthly charges for street lighting service as prescribed by the South Carolina Public Service Commission will be billed to the Homeowners Association and will be included in the association dues.
- R. Underground Electrical Distribution System. Declarant has requested and South Carolina Electric and Gas ("Company") has agreed to provide underground electrical distribution facilities, with Declarant having approved the system. Anyone desiring the relocation of any portion of the underground facilities shall request this service from the Company, and pay the cost, providing such requested relocation is determined to be practical. Any property owner having a pad-mounted transformer on his property is required to maintain at least 12 feet of unencumbered space in front of the transformer doors for operation and maintenance of the equipment. Further, property owners will grant Company access for maintenance an/or replacement of transformers and underground power lines. Company shall perform such maintenance in good workmanship like manner and restore any disturbed property to as near original condition as practicable.

### ITEM III COVENANTS FOR ASSESSMENTS

#### 1. Creation of the Lien and Personal Obligations of Assessments.

Declarant covenants and each Owner of any Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay the Association: (1) regular annual assessments or charges; and (2) special assessments or charges for the purposes set forth in this Article. Regular annual assessments and special assessments are to be fixed, established and collected from time to time as hereinafter provided. The regular annual assessment and special assessments together with such interest thereon and costs of collection therefore, as hereinafter provided, shall be a charge and continuing lien on the Lot and Home thereon against which each such assessment is made. Each such assessment, together with assessed interest thereon and all costs of collection, as hereinafter provided, shall also be the personal obligation of the Owner of such Lot at the time when the

assessment first becomes due and payable. In the case of co-ownership of a Lot all of such co-owners shall be jointly and severally liable for the entire amount of the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of Common Properties or abandonment of his Lot and Home.

2. Date of Commencement of Annual Assessments.

The annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the improvements to the first owner of the Home as defined in ITEM I Section (G).

3. Purpose of Regular Annual Assessment.

The regular annual assessment shall be levied by the Board of Directors of the Association, shall be payable monthly and shall be used exclusively for the improvement, maintenance, repair, and enhancement of the Common Properties, and, to provide the required services as set forth in ITEM IV, Section 2 hereof and to provide so many of the discretionary services set forth in ITEM IV, Section 3 as the Board of Directors may elect to provide.

4. Special Assessments.

In addition to the annual regular assessments authorized by Section 3 hereof, the Board of Directors of the Association may levy special assessments against Lots for the following purposes to the extent any regular annual assessment is insufficient:

- (a) Repair or replacement of any paved areas located on the Common Properties
- (b) Repair, replacement and maintenance of the walls and landscaping on the Common Properties
- (c) To provide for the necessary facilities and equipment to offer the services authorized herein
- (d) To repay any loan made to the Association to enable it to perform the duties and functions authorized herein
- (e) To repair and maintain the exterior surfaces of each Home constructed on a Lot

Before any special assessment is levied by the Association, it must receive the assent of a simple majority of the votes cast at a duly held meeting of the Association. In mailing out the notice of such meeting, the Association shall include in the notice one statement from those Directors opposing the special assessment (if any), containing the reasons for those Directors' support and opposition for the assessment. Neither statement shall exceed two (2) pages in length.

In the event any Owner shall fail to fulfill his/her/its obligations under Article V hereof, and the Association shall fulfill any of such obligations for such Owner, the Association shall

be entitled to specially assess such Owner, without the requirement of a vote, for all costs incurred by the Association in performing such service.

5. Certificate of Payment.

The Association shall upon demand at any time furnish to any Owner liable for any regular or special assessment, a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid.

6. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner: the Lien: Remedies of Association.

If the regular annual assessment or any special assessment is not paid by an Owner on or before its past-due date, then such assessment shall become delinquent, shall bear interest from the past-due date until paid at the rate of the lesser of (i) fifteen (15%) percent per annum, or (ii) the highest rate permitted by law, and shall automatically and immediately (together with interest thereon as provided herein and all costs of collection, including attorney's fee) become a charge and continuing lien on the Lot and Home, against which each such delinquent assessment is made, in the hands of the then Owner, his heirs, devisees, personal representative, Tenant, successors and assigns.

If the assessment is not paid within thirty (30) days after the past-due date, the Association may, at its election, bring an action to foreclose its Lien on the property or bring an action at law against the Owner personally. If a delinquent assessment is put in the hands of an attorney at law for collection, there shall be added to the amount of such assessment all costs of collection, including, but not limited to, fifteen (15%) percent of the amount of the delinquent assessment and all interest therein as reasonable attorney's fees.

7. Subordination of the Lien to Deeds to Secure Debt.

The lien of the assessment provided for herein shall be subordinate to the lien of any mortgage or deed to secure debt which now or hereafter may be placed upon any Lot and Home which, except for such lien for assessments, would constitute a first lien on the Lot and Home. Sums collected by foreclosure of such mortgage or deed to secure debt shall be applied first to the indebtedness secured thereby and all costs of collection, and second to the past-due assessments, interest thereon and costs of collection.

8. Annual Statements.

The president, treasurer, or such other officer as may have custody of the funds of the Association shall annually, within ninety (90) days after the close of the fiscal year of the Association, prepare and execute under oath a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs and expenses. It shall be construed to apply only to creditors of more than \$250.00. Such officer shall furnish to each Member, who may request in writing, a copy of such statement within thirty

(30) days after receipt of such request. Such copy may be furnished to the Member either in person or by mail.

9. Annual Budget.

The Board of Directors shall prepare and make available to all Members, at least sixty (60) days prior to the first day of each fiscal year, a budget outlining anticipated receipts and expenses for the upcoming fiscal year. The Financial Books of the Association shall be available for inspection by all Members at all reasonable times.

10. Uniform Assessment.

All assessments made under this Declaration shall be equal among Lots, except for the reduction permitted by Section 2 or Article IV, in the regular annual assessment for unoccupied Homes owned by the developer.

11. Working Capital Fund.

In order to insure that the Association will have cash necessary to fund the operation of the Association, a reserve and working capital fund will be established. Funding will be supplied by Owners by payment at the closing of every Lot (and each successive closing thereafter) the sum of \$100.00 which will be for the use and benefit of the Association. Further, the Declarant shall pay \$100.00 to the Association at the time the Declarant conveys each Lot to the Initial Owner. Amounts paid into the funds are not to be considered to be advance payment of regular assessments.

ITEM IV  
FUNCTIONS OF ASSOCIATION

1. Ownership and Maintenance of Common Properties.

The Association shall be authorized to own and maintain the Common Properties. The Association should pay any ad valorem taxes on the Common Properties. Each Owner shall be responsible for the payment of all ad valorem taxes on his Lot and Home.

2. Required Services.

The Association shall be required to provide the following services:

- (a) Repair, replacement, and maintenance of the Common Properties and all improvements located thereon including, but not limited to, street signs and traffic control signs
- (b) Taking any and all actions necessary to enforce all covenants and restrictions affecting COTTAGES AT INDIGO SUBDIVISION and

to perform all of the functions and duties delegated to the Association in any covenants or restrictions applicable to COTTAGES AT INDIGO SUBDIVISION

- (c) Providing administrative services, including, but not limited to, legal, accounting and financial, and communication services informing Owners of activities and giving required notices incident to carrying out the functions of the Association
- (d) Review of and approval or disapproval of plans and specifications for (i) work to any Home or (ii) landscaping on any Lot, all as provided for in this Declaration of Rights, Restrictions, Etc.
- (e) Maintenance of liability insurance for the Association in such amounts as shall be determined by the Board of Directors to protect the Association against claims for which the Board of Directors determine should be covered, including, without limitation, insurance for the officers and directors in connection with their management of the association
- (f) Enforce the obligation of each Owner to maintain and keep in good repair the exterior of such Owner's Home(s)

### 3. Discretionary Services.

The Association shall be authorized, but not required, to provide the following services:

- (a) Provide police protection and security including the employment of police and security guards
- (b) The services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this document
- (c) Provide garbage and trash collection to each Home unless provided by the municipality
- (d) To purchase hazard insurance covering the improvements located on the Common Properties and any items of personal property which are a part of the Common Properties

### 4. Obligation of the Association.

The Association shall be obligated to carry out those services specified in Section 2 of this Article, but shall not be obligated to carry out or offer any of the functions and services specified in Section 3 of this Article. The functions and services listed in Section 3 to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association, taking into consideration the funds available to the Association and the needs of the Members of the Association. The functions and services which the Association is authorized to carry out or to provide may be added to or reduced or may be changed in nature (i.e., form required to discretionary or vice versa) at any time upon the affirmative vote of a simple majority of those voting at a duly held meeting of Members together with the consent of Declarant, so long as

Declarant owns a Lot primarily for the purpose of sale or has the unexpired option to add Additional Property, or any portions thereof, to the Development.

5. Pledge of Revenues.

The Board of Directors of the Association shall have the power and authority to borrow funds for the benefit of the Association in performing its authorized functions and to pledge the revenues of the Association as security for such loans.

6. Owner's Responsibility.

Unless specifically identified herein as being the responsibility of the Association, all maintenance and repair of a Lot, together with all portions of the Home, and other improvements thereon shall be the responsibility of the Owner of such Lot. The responsibility of each Owner shall include the maintenance, repair, and replacement of fixtures, equipment, and appliances (including, without limitation, the heating and air-conditioning system for his Home) and all chutes, flues, ducts, conduits, wires, pipes, plumbing, or other apparatus which are deemed to be a part of his Lot. The responsibility of the Owner shall also include the maintenance, repair, and replacement of all glass, lights and light fixtures (exterior and interior), awnings, window boxes, window screens, and all screens or glass-enclosed porches, or decks which are a part of the Home. Each Owner shall maintain his roof in a good state of repair. In addition, each Owner shall be responsible for replacing his roof as such need is caused by a hazard which is normally covered by the Owner's hazard insurance. Each Owner shall maintain and keep the exterior and grounds of his Home in good, neat, clean, and sanitary condition, and such responsibility shall include the maintenance and care of all lawns, trees, shrubs, hedges, grass, and other landscaping contained within such Lots. Each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining, or cleaning any portion of the Lot or Home which is the responsibility of the Owner, but which responsibility such Owner fails or refuses to discharge; the Association may specially assess the Owner for any amounts expended by the association to discharge the responsibility of the Owner defined herein. In the event of any such assessment as herein provided, and the non-payment by the Owner within thirty (30) days after notice and demand from the Association, the Association shall have the rights set forth in Article III, Section 7 hereof.

ITEM V

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

1. Membership.

Every person who is the record owner of a fee or undivided fee interest in any Lot is subject to this Declaration and shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and Ownership of a Lot shall be the sole qualification for such membership. The foregoing is not intended to include mortgages or other persons who hold an interest merely as a security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise

affect an Owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no Owner, regardless of whether title to a Lot is vested in more than one Owner, shall have more than one membership or one vote per Lot.

## 2. Voting Rights.

As long as all fees, dues, special assessments, costs or expenses levied against any Lot or Home in COTTAGES AT INDIGO SUBDIVISION is paid and all fees, dues, special assessments, costs or expense to any Lot or Home are paid and current, then each Lot owner, as defined in ITEM 1, Section G, shall be entitled to one vote to be cast by the Owner thereof. When any Lot is owned by two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or, if two or more persons or entities have the same fiduciary relationship respecting the same property, or, if property is owned by a corporation, then such Owners shall file with the Secretary of the Association an instrument in writing signed by all such Owners designating the Owner (or in the case of a corporation, one of its officers) to cast the vote which is attributable to such Lot. The principles of this section shall apply, insofar as possible, to execution of proxies, waivers, consents, or objections and for the purpose of ascertaining the presence of a quorum.

## 3. Governing Body.

The Association shall be governed by a Board of Directors consisting of three (3) Members. Subject to the provisions of Section 6, of this ITEM the election of the Board of Directors shall be by the Members as provided in the By-Laws.

## 4. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association.

The first time a meeting of the members of the Association is called to vote on a particular action proposed to be taken by the Association, the presence at the meeting Members or proxies entitled to cast fifty (50%) percent of the total vote of the membership shall constitute a quorum. In the event the required quorum is not present at any such meeting, a second meeting may be called, subject to the giving of proper notice, and the presence of twenty-five (25%) percent of the total vote of the membership shall constitute a quorum for such second meeting. Any such second meeting must be held within sixty (60) days of the first meeting when the required quorum was not present. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements for such "duly called meeting" which may be established by the By-Laws of the Association. For the purpose of this section, "proper notice" shall be deemed to be given to each Member not less than ten (10) days nor more than thirty (30) days prior to the date of the meeting at which any proposed action is to be considered.

## 5. Proxies.

All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing.

## 6. Control by Declarant

NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION, OR IN THE BY-LAWS OF THE ASSOCIATION, Declarant hereby retains the right to appoint and remove any Member or Members of the Board of the Directors of the Association and any officer or officers of the Association until such time as the first of the following events have occurred: (i) The expiration of ten (10) years from the date of the recording of this Declaration; (ii) the sale of the last Lot, or (iii) the surrender of such right by Declarant evidenced by an express amendment hereto recorded in the public records of Lexington County, South Carolina. Every Grantee of an interest in the Property, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove directors and officers of the Association in accordance with the foregoing. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association, such right shall automatically pass to the Owners, including Declarant if Declarant then owns one or more Lots, and a special meeting of the Association shall be called at such time. At such special meeting, the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board of Directors, and Declarant shall deliver all books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession. Any management contract or any other contract or lease executed by or on behalf of the Association during the period of Declarant's right control the Association shall be subject to cancellation and termination at any time during the twelve (12) months next immediately following the expiration of such period of Declarant's control by the affirmative vote of the Owners to whom a majority of the votes in the Association appertain, unless the Owners by a like majority shall have expressly ratified and approved the same.

## ARTICLE VII ADDITIONAL PROVISIONS

- A. Easement For Encroachment. As shown on the subdivision survey, there is a fifteen (15) foot easement for pedestrian access to the common area reserved between Lots 25 and 26. This easement is to remain open at all times and not blocked or obstructed in any way by the owners of said lots.
- B. Term. All covenants, restrictions, and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all grantees of the Declarant and persons claiming under them, specifically including, but not limited to, their successors and assigns, if any, for a period of twenty (20) years from the filing date of this Declaration, after which time all of said covenants shall be automatically renewed and extended upon the expiration of each ten (10) year period. There shall be no renewal or extension of the term of this Declaration if, prior to the expiration of the initial twenty (20) year period, or prior to the expiration of any subsequent ten (10) year renewal period, an instrument signed by the owners of two-thirds (2/3) of the Lots has been recorded agreeing to terminate this Declaration upon the expiration of the initial twenty (20) year term of the then current ten (10) year renewal period.



- C. Enforcement of Covenants. In the event of a violation or breach of any of the restrictions contained herein by any Owner or agent of such Owner, the Members of the Board of Directors or their designee are authorized to enter upon such Lot where such violation exists and summarily abate or remove the same at the expenses of the Owner and summarily abate or remove the same at the expenses of the Owner if, after thirty (30) days written notice of such violation, it shall not have been corrected by the Owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any rights, reservations, restrictions, or conditions, contained in this Declaration, regardless of how long such failure shall continue, shall not constitute a waiver of or a bar to such right to enforce.
- D. Liability of Association. The Association shall not be liable to an Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against an Owner or such other person arising out of or in any way relating to, the subject matter of any reviews, acceptances, inspections, permissions, consents or required approvals which must be obtained from the Association, whether given, granted or withheld.
- E. Severability. Should any covenant or restriction herein contained, or any article section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable for any reason by the adjudication of any court, or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof, which are hereby declared to be severable and which shall remain in full force and effect.
- F. Reservation of Easement. The Declarant hereby reserves unto itself, its successors and assigns, a perpetual, alienable and relatable easement and right on, over, and under the ground to erect, maintain, and use electric service, community television antenna, and telephone poles, wires, cables, conduits, drainage ways, sewers, water mains, sprinkler systems, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, storm drainage or other public conveniences or utilities on, in or over those portions of such property as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of such Property as may (a) have been used prior to the installation of such utilities for construction of a building; or (b) such portion of the Property as may be designated as the site for a Home. These easements and rights expressly include the right to cut any tree, bushes, and shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Declarant further reserves the right to locate wells, pumping stations, siltation basins, retention and detention ponds, and tanks within COTTAGES AT INDIGO SUBDIVISION in any open space or on any portion of the Property designated for such use on the applicable plat of said Property, or to locate same upon any portion of the Property.



EXHIBIT "A"  
LEGAL DESCRIPTION

All that certain piece, parcel or tract of land, lying and being situate in Lexington County, South Carolina containing 15.62 acres as shown on that certain plat of survey prepared for Indigo Place, LLC by Associated E&S, Inc., dated June 25, 2007 and recorded in Plat Book 12462 at page 1 of the Lexington County Register of Deeds.