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**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR WOODCREEK SUBDIVISION**

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HORRY COUNTY ASSESSOR
122-18-01-001 thru 116
Map Blk Parcel

8-25-00

**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR WOODCREEK SUBDIVISION**

TABLE OF CONTENTS

ARTICLE:	SECTION:	PAGE:
I	DEFINITIONS	
	1.01 Absentee Ballot.....	2
	1.02 Additional Property.....	2
	1.03 Architectural Guidelines.....	2
	1.04 Architectural Standards Committee..	2
	1.05 Articles.....	2
	1.06 Assessments.....	2
	1.07 POA.....	2
	1.08 Board.....	2
	1.09 Building.....	2
	1.10 Building Site.....	2
	1.11 By-laws.....	2
	1.12 Common Properties.....	2
	1.13 Covenants.....	3
	1.14 Declarant.....	3
	1.15 Developer.....	3
	1.16 Woodcreek	3
	1.17 Woodcreek Documents.....	3
	1.18 Woodcreek Rules and Regulations....	3
	1.19 Lot.....	3
	1.20 Maintenance Fund.....	3
	1.21 Member.....	3
	1.22 Membership.....	3
	1.23 Notice.....	3
	1.24 Owner.....	4
	1.25 Plat.....	4
	1.26 Supplemental Covenants.....	4
	1.27 Voting Member.....	4
II	IMPOSITION OF COVENANTS AND STATEMENT OF PURPOSE	

	2.01 Imposition of Covenants.....	4
	2.02 Statement of Purpose.....	4
	2.03 Declarant's Intent.....	4
	2.04 Annexation of Additional Property..	5
III	PROPERTY OWNERS ASSOCIATION	
	3.01 Establishment of POA.....	5
	3.02 Duties and Powers.....	5
	3.03 Membership.....	5
	3.04 Voting Rights.....	6
	3.05 Officers and Directors.....	6
	3.06 Rules and Regulations.....	6
	3.07 Authority and Enforcement.....	7
	3.08 Roads and Streets.....	7
	3.09 Common Property.....	8
	3.10 Developer as Association.....	8
IV	ARCHITECTURAL STANDARDS COMMITTEE.....	8
V	ASSESSMENTS	
	5.01 Creation of lien and Personal Obligation of Assessments.....	9
	5.02 Purpose of Assessments.....	9
	5.03 Unimproved Lot Maintenance Assessment.....	10
	5.04 Initial Assessment.....	10
	5.05 Special Assessment.....	10
	5.06 Effect of Non-payment.....	11
	5.07 Subordination of Lien to Mortgage..	11
	5.08 Assessment on Lots Owned by the Declarant or Developer.....	12
	5.09 Failure to Assess.....	12
VI	EASEMENTS	
	6.01 Utility Easements.....	12
	6.02 Emergency Easement.....	12
	6.03 Maintenance Easement.....	13
	6.04 Drainage Easement.....	13
	6.05 Partition or combination of Lots...	13
VII	PROPERTY RIGHTS	
	7.01 General Property Rights.....	13
	7.02 Owner's Easement of Enjoyment.....	14
	7.03 Use of Common Property by Tenant...	14
	7.04 No Partition.....	14
VIII	MAINTENANCE	
	8.01 Care and Responsibility of Owner...	15
	8.02 Responsibility of POA.....	15
	8.03 Common Property Conveyance.....	15
	8.04 POA performance of Owner Maintenance.....	16

IX	CONSTRUCTION AND ALTERATION OF IMPROVEMENTS	
	9.01 General.....	19
	9.02 Approval Required.....	19
	9.03 Deemed Nuisances.....	19
	9.04 Removal of Nonconforming Improvements...	19
	9.05 Construction Methods.....	19
X	GENERAL COVENANTS AND RESTRICTIONS	
	10.01 Residential Use Only.....	20
	10.02 Parking and Garages.....	20
	10.03 Vehicle Maintenance.....	20
	10.04 Signs.....	20
	10.05 Maintenance of Hedges and Plants.....	21
	10.06 Approved Builders.....	21
	10.07 Occupants Bound.....	21
	10.08 Minimum Square Footage.....	21
	10.09 Animals and Pets.....	21
	10.10 Nuisance.....	21
	10.11 Unsightly or Unkempt Conditions.....	22
	10.12 Antennas and Cable.....	22
	10.13 Garbage Cans, Tanks, etc.....	22
	10.14 Subdivision of Lots.....	22
	10.15 Guns.....	22
	10.16 Pools.....	22
	10.17 Irrigation.....	22
	10.18 Tents, Trailers & Temporary Structures...	22
	10.19 Drainage.....	22
	10.20 Construction Regulations of the Architectural Guidelines.....	23
	10.21 House Numbers and Mail Boxes.....	23
	10.22 Continuity of Construction.....	23
	10.23 Leasing.....	23
	10.24 Set-Back Lines.....	23
	10.25 Well limitations; Water supply.....	24
	10.26 Sewage Disposal.....	24
	10.27 No Overhead Wires.....	24
	10.28 Lighting Restriction.....	24
	10.29 Multiple Ownership.....	24
XI	DAMAGE OR DESTRUCTION	
	11.01 Damage or Destruction Affecting Lots...	25
XII	ENFORCEMENT OF COVENANTS	
	12.01 Violations Deemed a Nuisance.....	25
	12.02 Compliance.....	25
	12.03 Failure to Comply.....	25
	12.04 Who may Enforce.....	25
	12.05 Remedies.....	25
	12.06 Non-Exclusive Remedies.....	26
	12.07 No Waiver.....	26
	12.08 No Liability.....	26
	12.09 Recovery of Costs.....	26
XIII	RESOLUTION OF DISPUTES	

XIV	DURATION OF THESE COVENANTS AND AMENDMENT	
	14.01 Term.....	26
	14.02 Amendment.....	26
	14.03 Effective on Recording.....	27
XV	PRINCIPLES OF INTERPRETATION	
	15.01 Severability.....	27
	15.02 Construction.....	27
	15.03 Headings.....	27
	15.04 Registration of Mailing Address.....	27
	15.05 Notice.....	27
	15.06 Waiver.....	27
	15.07 Limitation of Liability and Indemnification.....	28
	15.08 Conflicts Between Documents.....	28
	15.09 Litigation.....	28
	15.10 Indemnity for Damages.....	28
	15.11 Assignment.....	28

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)
DECLARATION OF PROTECTIVE
COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS
FOR WOODCREEK AT CONWAY
SUBDIVISION

This Declaration of Protective Covenants, Conditions, Restrictions and Easements for Woodcreek at Conway Subdivision (including Woodcreek and Woodcreek Estates) is made this day of February, 2000, by WOODCREEK AT CONWAY, LLC a South Carolina limited Liability Corporation (hereinafter referred to as the "Declarant" or "Developer").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in the City of Conway, County of Horry, State of South Carolina being known as Woodcreek at Conway Subdivision (hereinafter referred to as the "Property"), which is more fully described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, Additional Property may be included in Woodcreek at Conway in the future and Declarant wishes to reserve the right for either Declarant or Developer to subject Additional Property to the provisions, of this Declaration and incorporate such Additional Property into Woodcreek by way of future amendments of this Declaration in accordance with the provisions contained herein; and

WHEREAS, Declarant intends by this Declaration to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of property in Woodcreek and to provide a flexible and reasonable procedure for the administration and maintenance of the Property.

NOW THEREFORE, Declarant hereby declares that the Property which is described in EXHIBIT "A" and any Additional Property hereafter made subject hereto as herein provided shall be held, transferred, sold, conveyed, leased, occupied and used subject to the following easements, restrictions, covenants, charges, liens and conditions which are for the purpose of protecting the value and desirability of the Property, and which shall run with title to the Property. The Covenants and all provisions hereof shall be binding on all parties having any right, title or interest in the Property or any portion thereof, and their respective heirs, executors, administrators, successors, and assigns, and shall inure to the benefit of each Owner thereof.

**ARTICLE I
DEFINITIONS**

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

Section 1.01 "Absentee Ballot" shall mean and refer to the form approved by the Board and presented to every Member as set forth in accordance with these Covenants. An Absentee Ballot shall be the only form of proxy. Absentee Ballots shall only be accepted by the Secretary of the POA from the Member submitting the ballot. At no time may an Absentee Ballot give to one Member the right to vote for any other Member, except members shall have the right to give proxies to the Developer.

Section 1.02 "Additional Property" shall mean and refer to any real property and improvements thereon, which may be incorporated into Woodcreek by way of future amendments of these Covenants in accordance with the provisions contained herein.

Section 1.03 "Architectural Guidelines" shall mean and refer to the guidelines and rules established and amended from time to time by the Architectural Standards Committee and approved by the Board.

Section 1.04 "Architectural Standards Committee" or "ASC" shall mean and refer to the committee formed pursuant to Article IV below to maintain the quality and architectural harmony of improvements in Woodcreek.

Section 1.05 "Articles" shall mean and refer to the Articles of Incorporation of the POA which have been filed with the Secretary of State of South Carolina to create the POA.

Section 1.06 "Assessments" shall mean and refer to annual, special, and default Assessments levied pursuant to Article V below to meet the estimated cash requirements of the POA.

Section 1.07 "POA" shall mean and refer to the Woodcreek Property Owners Association, Inc., a non-profit corporation, or any successor of the Woodcreek Property Owners Association by whatever name, charged with the duties and obligations set forth in these Covenants.

Section 1.08 "Board" shall mean and refer to the Board of Directors of the POA, which is the governing body of the POA.

Section 1.09 "Building" shall mean and refer to any one or more structures constructed on a Lot or Tract.

Section 1.10 "Building Site" shall mean and refer to the area within a Lot where a Building or other improvements shall be located, always subject to the prior written approval of the ASC.

Section 1.11 "By-Laws" shall mean and refer to the By-Laws of the POA which establish the methods and procedures of its operation.

Section 1.12 "Common Property(es)" shall mean those certain properties, whether owned by the Declarant, Developer or the POA, located within the Woodcreek Subdivision and so delineated and depicted as "Common Area" on that certain bonded plat of Woodcreek, dated _____.

Section 1.13 "Covenants" shall mean and refer to this

Declaration of Protective Covenants, Conditions, Restrictions, and Easements for Woodcreek Phase I, as and if amended.

Section 1.14 "Declarant" shall mean and refer to WOODCREEK AT CONWAY, LLC, a South Carolina Limited Liability Corporation and its successors and assigns.

Section 1.15 "Developer" shall mean and refer to WOODCREEK AT CONWAY, a South Carolina Limited Liability Corporation and its successors and assigns.

Section 1.16 "Woodcreek" shall mean and refer to the planned community created along with these Covenants, consisting of the Property and all of the Improvements located on the Property.

Section 1.17 "Woodcreek Documents" shall mean and refer to the basic documents creating and governing Woodcreek, including but not limited to these Covenants, Articles of and By-Laws of the BOA, the Articles of and By-Laws of the POA, the Architectural Guidelines and any Rules and Regulations adopted under such documents by the POA or the Architectural Standards Committee.

Section 1.18 "Woodcreek Rules and Regulations" shall mean and refer to the rules and regulations adopted by the POA as provided in Section 3.06 below.

Section 1.19 "Lot" shall mean and refer to a parcel of land designated as a Lot on any Plat of Woodcreek.

Section 1.20 "Maintenance Fund" shall mean and refer to the fund created by Assessments and fees levied pursuant to Article V below to provide the POA with the funds required to carry out its duties under these Covenants.

Section 1.21 "Member" shall mean and refer to any person or entity holding Membership in the POA.

Section 1.22 "Membership" shall mean and refer to the rights and responsibilities of every Owner of any Lot in Woodcreek or Woodcreek Estates. Every Owner by virtue of being an owner and only as long as he, she, or it is an Owner, shall retain their Membership in the POA. The Membership may not be separated from Ownership of any Lot. Regardless of the number of individuals holding legal title to a Lot, no more than one Membership shall be allowed per Lot owned. However, subject to the multiple ownership restrictions of the Section 10.29, all individuals owning such Lot shall be entitled to the rights of Membership and the use and enjoyment appurtenant to such ownership.

Section 1.23 NOTICE The delivery of any item and the giving of notice in compliance with this Agreement shall be accomplished in writing by personal delivery or by certified mail addressed to the parties at the address of record as shown in the records of the Lexington County RMC office as of the date the notice is sent. Any notice given in accordance with the provisions of this Section shall be deemed affective on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be. Each party may give notice as to the other party of a change in its address for the purpose of giving notice under this Section, which

thereafter, until changed by like notice, will be the address of such party for all purposes of this Agreement.

Section 1.24 "Owner" shall mean and refer to the record title holder, whether one or more persons or entities, of fee simple title to any Lot, but shall not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such person or entity has acquired fee simple title pursuant to foreclosure or other proceeding.

Section 1.25 "Plat" shall mean and refer to any plat (or as-built survey) depicting the Property filed in the RMC Office for Horry County, South Carolina, as such plat may be amended from time to time.

Section 1.26 "Supplemental Covenants" shall mean and refer to additional or further restrictive covenants imposed on a portion or portions of the Property from time to time.

Section 1.27 "Voting Member" shall mean and refer to any one of the interests in the Property designated in Section 3.04 below to which a right to vote in POA matters is allocated.

ARTICLE II IMPOSITION OF COVENANTS AND STATEMENT OF PURPOSE

Section 2.01 Imposition of Covenants. Declarant hereby makes, declares and establishes the following covenants, conditions, restrictions and easements (collectively referred to as the "Covenants") which shall affect all of the Property. From this day forward, the Property shall be held, sold and conveyed subject to the Covenants. The Covenants shall run with the land and shall be binding upon all persons or entities having any right, title or interest in all or any part of the Property, and the Covenants shall inure to the benefit of each owner of the Property.

Section 2.02 Statement of Purpose. These Covenants are imposed for the benefit of all owners of the parcels of land located within the Property. These Covenants create specific rights and privileges which may be shared and enjoyed by all owners and occupants of any part of the Property.

Section 2.03 Declarant's Intent. The provisions of these Covenants, as amended from time to time, are intended to act as the land use controls applicable to the Property, and in the event of a conflict or difference between the provisions hereof and of the City of Conway Zoning Ordinance, the terms of this Declaration, as amended, shall control and supersede such Zoning Ordinance. Each Owner, automatically upon the purchase of any portion of the Property, is deemed to waive all protections afforded to him, now or in the future, under the City of Conway Zoning Ordinance to the extent such Zoning Ordinance is at variance with the provisions of this Declaration, as amended, or with the provisions of any of the other Woodcreek Documents, including but not limited to the Architectural Guidelines established by the Architectural Standards

Committee.

Each owner specifically waives the buffering, setback, screening, and height restrictions and performance standards contained in the City of Conway Zoning Ordinance with regard to proposed and existing boat docks, boat ramp, tennis courts, chipping and putting green, swimming pool, clubhouse, parks, nature trails, and all other existing and proposed common areas and group assembly activities.

Section 2.04 Annexation of Additional Property. The Developer shall have the option from time to time, and at any time, to subject Additional Property to the provisions of these Covenants by filing an amendment annexing such property in the RMC office of Horry County, South Carolina. Such amendment to these Covenants shall not require the vote of the Owners. Any such annexation shall be effective upon the filing for record of such amendment executed by the Developer. The Developer shall have the unilateral right to transfer to any other person or entity the option to annex Additional Property hereunder.

ARTICLE III PROPERTY OWNERS ASSOCIATION

Section 3.01 Establishment of an POA. The Declarant hereby establishes the POA for the purpose of exercising the powers of maintaining and administering the Common Properties and providing common services, administering and enforcing the covenants, conditions and restrictions contained herein and levying, collecting and dispersing assessments and charges herein created. Further, the Declarant reserves the right to assign to the Developer or the POA any and all of its rights and obligations set forth herein.

Section 3.02. DUTIES AND POWERS. The duties and powers of the POA shall be those set forth under the provisions of these Covenants, the By-Laws, Articles of Incorporation of the POA, those powers relating to non-profit corporations under state and federal laws, and those duties and powers which are reasonably implied to effect the purposes of the POA. The POA may exercise any other right or privilege given to it expressly by these Covenants or by law, together with every right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Such powers of the POA shall include, but shall not be limited to, the power to mortgage the Common Property subject to the provisions of section 7.02 and the right to hypothecate, pledge and conditionally assign the right of the POA to receive any and all assessments and other type of funds as additional security for the mortgaging of the Common Property, and the power to purchase one or more Lots and to hold, lease, mortgage, sell, and convey the same. Such duties may include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a common expenditure billing directly to Lots, to furnish trash collection, water, sewer, and security service (including the operation, maintenance and repair of electronically monitored and operated gates controlling vehicular access to and from the Property) for the Common Property Lots. For so long as Declarant or Developer owns any Lot for the purpose of sale, the POA shall not, without the written consent of the Developer, borrow money or pledge, mortgage, or apothecate any portion of the Common Property.

Section 3.03 Membership. By acceptance of a deed or other conveyance for any Lot, the Owner thereof shall be deemed to covenant and agree to subject said Lot to these Covenants and the jurisdiction of the POA and its By-Laws and no further act by an Owner is required. Each Owner of any Lot, whether improved or unimproved, shall be a Member of the POA. Membership shall be appurtenant to and may not be separated from the ownership of any Lot, and the ownership of a Lot shall be the sole qualification for such membership. In the event that fee simple title to a Lot is transferred or otherwise conveyed, the membership in the POA which is appurtenant thereto will automatically pass to such transferee. The forgoing is not intended to include Mortgagees or any other persons or entities who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect a Owner's membership in the POA.

Section 3.04 Voting Rights. Each Lot is hereby assigned one vote for voting purposes in the POA. The construction of a Building within a Lot shall in no way be construed to increase or alter the voting strength of such Lot, and such improved Lot shall continue to have one vote for the voting purposes within the POA. In the event of multiple owners of a Lot, votes and rights of use and enjoyment of the Common Properties shall be undertaken as provided herein. The rights and privileges of membership, including the right to vote and to hold an office in the POA, may be exercised by a Member or Member's spouse, but in no event shall more than one vote be cast or more than one office be held for each Lot. When more than one person or entity holds or owns an interest in any Lot, the vote for such Lot shall be exercised as those Owners of such Lot themselves determine and advise the Secretary or an Assistant Secretary of the POA prior to any meeting. In the absence of such advise, the vote appurtenant to such Lot shall be suspended in the event more than one person seeks to exercise it.

Section 3.05 Officers and Directors. Notwithstanding any other provisions to the contrary contained in these Covenants, the By-Laws and/or any instrument establishing the POA, the Developer shall have the right to appoint and/or remove any member or members of the Board of Directors of the POA or any officer of officers of the POA until such time as the first of the following events shall occur: (i) the expiration of twenty (20) years after the date of the recording of this Declaration; (ii) the date on which all of the Lots within the Property and Additional Property have been conveyed by the Declarant (or the Developer) to third party purchasers (not including any conveyance to the Developer); or (iii) the surrender by the Developer to the POA of the authority to appoint and remove directors and officers of the POA. Each Owner by acceptance of a deed to or other conveyance of a Lot, vests in the Developer such authority to appoint and remove directors and officers of the POA. The initial Board of Directors of the POA shall consist of three (3) individuals selected by the Developer. Once the Developers rights under this section have expired or been surrendered, a Board of Directors consisting of five (5) individuals shall be elected by the Members, subject to the rights of the Declarant and the Developer as set forth herein.

Section 3.06 Rules and Regulations. Subject to the provisions hereof and the approval of the Developer, the Board of Directors of the POA may establish reasonable rules and regulations concerning the use of the Lots, the Buildings and the Common Property and the

facilities located thereon. Copies of such rules and regulations and amendments thereto shall be furnished by the POA to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners and occupants, and their families, tenants, guests, invitees, servants, and agents until and unless any such rule or regulation is specifically overruled, canceled or modified by the Board of Directors at a regular or special meeting of the POA by a vote of the Owners, in person, by absentee ballot, or by proxy to the Developer, holding a majority of the total vote in the POA, provided that in the event of such vote, such action must also be approved by the Declarant for so long as the Declarant owns any Lot primarily for the purpose of sale.

Section 3.07 Authority and Enforcement. Subject to the provisions contained herein, upon violation of these Covenants, the By-Laws or any of the above-referenced rules and regulations duly adopted hereunder, including, without limitation, the responsibility to pay any and all assessments or charges, the Board of Directors shall have the power to; (i) impose reasonable monetary fines which shall constitute an equitable charge and continuing lien upon the Lot of the Owners, Occupants or guest guilty of such violation; (ii) to suspend an Owner's right to vote in the POA, (iii) to suspend an Owner's right and the right of such Owner's family, guest, tenants and co-owners of such Owner and their respective families, guests and tenants to use any and all of the Common Property (except that such Owner shall not be denied a reasonable means of access to his Lot); or (iv) the Board of Directors shall have the power to impose all or any combination of these sanctions. The fines levied and assessed as provided in Article V herein shall be a lien upon the applicable Lot in the same manner as that provided in Article V herein. The effect of such non-payment of such fine and the remedies of the POA and the Covenants to enforce collection thereof shall be the same as those provided for assessments in Article V herein. The Board of Directors shall adopt reasonable procedures for endorsing the rules and regulations.

Section 3.08 Roads and Streets The POA shall own and be responsible for the maintenance of the private roads within Woodcreek. Such maintenance will include periodic maintenance of the surface and shoulders of the roads and regular mowing, snow, ice and trash removal. Private driveways located on the Property shall be maintained by the Owners of the Lots on which they are located. The POA shall cooperate with the applicable traffic and fire control officials to post public and private drives, roads and streets with traffic control, fire lanes and parking regulation signs. All roads not dedicated to the general public and accepted by the County of Horry shall be designated as "privately maintained roads" on a plat of survey recorded in the RMC Office for Horry County. All roads so designated and dedicated as "privately maintained roads" shall be maintained by the POA. The cost of maintaining these roads shall be included as part of the annual assessment.

SECTION 3.09 Common Property. The POA, subject to the rights of the Declarant and Developer and the rights and duties of the Owners as set forth in these Covenants, shall be responsible for the exclusive management and control of the Common Property and all improvements thereon (including furnishings and equipment related

thereto), and the POA shall keep the same in a good, clean, attractive and sanitary condition, order and repair pursuant to the terms and conditions hereof. No diminution or abatement of assessment charges shall be claimed or allowed by any Owner by reason of any alleged failure of the POA to take some action or perform some function required to be taken or performed by the POA in maintaining and operating the Common Property or any other duties or functions assigned to the POA under these Covenants. No diminution or abatement in charges and assessments shall be claimed or allowed by any Owner by reason of inconvenience or discomfort arising from the making of improvements or repairs to the Common Property, which are the responsibility of the POA or from any action taken by the POA to comply with any law, ordinance, or any other directive of any other municipal or other governmental authority. The obligation to pay such assessments and charges by each Owner within the Property shall constitute a separate and independent covenant on the part of each Owner.

ARTICLE IV ARCHITECTURAL STANDARDS COMMITTEE

Section 4.01 The Declarant has established an Architectural Standards Committee (the "ASC") as more fully described in the ASC By-laws for the purpose of examining and passing upon all proposed plans for any Buildings or structures and any additions thereto and remodeling thereof intended to be placed on any portion of the Property. Approval of the ASC, its designated agent, successors or assigns, shall be required on the design of all improvements placed within the Property. Such approvals and all other functions of the ASC shall be governed by the provisions of the Covenants and or ASC By-Laws.

ARTICLE V ASSESSMENTS

Section 5.01 Creation of Lien and Personal Obligation of Assessments. Upon the acceptance of title to a Lot whether or not it shall be so expressed in any deed or other conveyance, each Owner shall be deemed to covenant and agree to all or the terms and provisions of these Covenants and the By-laws of the POA and the obligation to pay to the Developer or POA, the annual assessments which are hereinafter described. The total annual assessment and proposed budget shall be established by the Board of Directors of the POA. It shall be the duty of the Board of Directors of the POA at least thirty (30) days prior to the POA's annual meeting to prepare a budget covering the estimated common expenses relating to maintenance, improvement and operation of the Common Properties during succeeding year, and such budget may include a capital contribution or reserve account for the capital needs of the POA as determined by the Board of Directors of the POA. The Board of Directors shall cause the proposed budget and total annual assessments to be levied against Lots for the following year to be delivered to each owner fifteen (15) days prior to such meeting. The total annual assessments shall be divided among Lots equally, which have been sold by Declarant to third parties, so that each Lot shall be subject to equal total annual assessments. The budget and total annual assessment shall become effective unless disapproved at the annual meeting by either a majority vote of the Members of the POA or the Developer for so long as the Developer

has the authority to appoint and remove directors and officers of the POA. Notwithstanding the foregoing, in the event the proposed budget is not approved or the Board of Directors fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual assessment in effect for the current year shall be increased in proportion by the greater of either ten (10%) percent of the budget and assessment of the previous year or by the percentage increase, if any, over the previous year's Consumer Price Index, until a new budget shall have been approved as provided above. If any budget at any time proves inadequate for any reason, then the Board of Directors may call a meeting of the POA for the approval of a special assessment as provided in Section 5.05 herein. Total annual assessments together with any late charges thereon and cost of collection thereof as provided herein shall be a charge and continuing lien on the Lot against which such assessments are made. Each such assessment together with any such late charges thereon and cost of collection thereof 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 such co-owners shall be jointly and severally liable for the entire amount of the assessment. The costs of collection shall include any reasonable attorney fees incurred in the collection thereof.

Section 5.02 Purpose of Assessments. The annual assessments levied by the POA shall be used for: (i) the landscaping, improvement, maintenance, enhancement, enlargement and operation of the Common Property under this Declaration as provided below; (ii) the maintenance and clearing of Lots prior to the completion of a home thereon; and (iii) to provide services which the POA is authorized to provide under these Covenants as provided below. In carrying out these duties, the POA may make a payment of taxes and insurance, make improvements on the Common Properties, pay the cost of labor, equipment, materials, management, supervision and accounting, repay any loans made to the POA and take such other action as is necessary to carry out the authorized functions. The annual assessments levied by the POA may additionally be utilized to pay utility charges for serving the Common Properties and charges for other common services for the Common Property, including trash collection and security services (including expenses associated with the operation, maintenance and repair of electronically monitored and operated gates controlling vehicular access to and from the Property), if any such services or charges are provided or paid by the POA. The annual assessments may additionally be utilized to pay the cost of any policies of insurance purchased for the benefit of all Owners and the POA covering the Common Property, including fire, flood and other hazard coverages, public liabilities coverage, liability insurance for the Directors and officers of the POA, and such other insurance coverage as the Board of Directors determines to be in the interest of the POA and the Owners covering the Common Property. The annual assessment may be additionally utilized for the establishment and maintenance of a reasonable reserve fund for the maintenance, repair and replacement of Common Property and to cover emergencies and repairs required as a result of casualties which are not covered by insurance proceeds and to cover unforeseen operation expenses or deficiencies arising from unpaid assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors of the POA.

Section 5.03 Initial Assessment. The Owner of each Lot (excluding the Declarant and/or Developer) shall pay annual assessments beginning in September, 2000. The initial annual pro-rated assessment for the lot owners will be \$50.00 per lot and will be due and payable on September 1, 2000. This initial annual assessment is based on an estimated assessment of \$ 6,000.00 for the calendar year 2000 and pro-rated to September 1 of that year. For any lots conveyed after September 1, 2000, the amount of the assessment will be further prorated (by divided the amount of days from the closing date through the end of the year by the number of days from July 1 through the end of the year). The annual assessments for each Lot may thereafter be increased in proportion by the greater of either ten (10%) percent of the assessments for the previous year or by the percentage increase, if any, over the previous year's Consumer Price Index as defined in Section 5.01.

Section 5.04 Special Assessments. In addition to the total annual assessments authorized above, the POA, acting through its Board of Directors, may levy, in any assessment year, special assessments for the purposes set forth in Section 5.02 herein, such special assessments shall be applicable only to the applicable assessment year only, and such special assessments must be approved by (a) Developer, for so long as Declarant or Developer owns any Lot primarily for the purpose of sale, and (b) by the Board of Directors of the POA, if the Special Assessment is equal to or greater than fifty (50%) percent of the Annual Assessment for that year. If the Special Assessment is greater than fifty (50%) percent of the Annual Assessment for that year, then such Special Assessment must be approved by (a) the Developer, for so long as Declarant or Developer owns any Lots primarily for the purpose of sale, and (b) by a majority of the votes of the Owners who are voting in person or by Proxy given to the Developer, at a meeting duly called for this purpose in accordance with the notice and quorum requirements set forth in the By-laws. The Board of Directors may make such special assessments payable on installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in which adopted. Such special assessments are to be charged equally to the Lots as provided with respect to the total annual assessments and shall be subject to the same remedies for non-payments and lien provisions as annual assessments described in Sections 5.05 and 5.06..

Section 5.05 Effect of Non-payment of Assessment. The total annual assessment shall be paid in a lump sum (and not in installments) unless otherwise determined by the Developer in its sole discretion, and if any assessment is not paid on or before the due date specified by the Developer or POA, then such assessment shall become delinquent and shall be subject to a late charge at a rate which equals the lesser of: (a) fifteen (15%) percent per annum, together with costs of collection including reasonable attorney's fees or (b) the highest rate then permitted by applicable law from the date of delinquency until the date of payment, together with cost of collection including reasonable attorneys fees as hereinafter provided. Such Assessments, late charges, and cost of collections shall become a charge and continuing lien on the Lot of the delinquent Owner, and all improvements thereon against which each such assessment is made, and shall be a personal obligation of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the Owner to pay such assessment is established at

the time when the assessment first became due and payable. The above-referenced lien shall be superior to all the liens and encumbrances on such lots except for (i) liens of ad valorem taxes; and (ii) liens for all sums unpaid on a First priority Mortgage (as provided in Section 5.06 herein) or on any Mortgage to Declarant, or its affiliates, successors assigns, and all amounts advanced pursuant to any such Mortgage and secured thereby in accordance to the terms of such instrument. All of the persons acquiring liens or encumbrances on any Lot after these Covenants have been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to such future liens for assessments and charges as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens or encumbrances. If an assessment is not paid within thirty (30) days after the due date, the POA, may bring an action at law against the Owner personally and an action in equity to foreclose said lien and there shall be added to the amount of such assessment, the cost of preparing and filing the complaint in such action. In the event a judgement is obtained, such judgment shall include late charges as above provided and reasonable attorneys fees. The equitable charge and lien provided for in this Article V shall be in favor of the POA and each Owner by his acceptance of a deed or other conveyance to a Lot vests in the POA the right and power to bring all actions against him personally for the collection of such assessments as a debt and to foreclose the aforesaid lien in the same manner as other liens for the improvements or real property.

Section 5.06 Subordination of Lien to Mortgages. The lien of the total Assessments provided for herein shall be subordinate to the lien of any first priority Mortgage or Mortgages now or hereafter placed on any portion of the Properties; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or any other proceeding or deed in lieu of foreclosure, such Mortgage shall prospectively pay Assessments commencing on the date that it acquires title to the Lot.

Section 5.07 Assessment on Lots Owned by the Declarant or the Developer. Notwithstanding anything to the contrary herein, for improved or unimproved Lots owned by the Declarant or the Developer, no Assessment of any type shall be levied upon such Lots by the POA without the Developer's written consent.

Section 5.08 Failure to Assess. The failure or omission of the Board of Directors to fix or establish any total annual Assessments, special Assessments or other charges authorized hereunder and to deliver or mail to each Owner a notice setting forth the amount of Assessments and charges thereunder shall not be deemed a waiver, modification or release of any Owner from the obligation to pay any total annual Assessments, special Assessments or other charges authorized Assessments, special Assessments or other charges authorized hereunder on the same basis as for the last year for which an Assessment or charge was made until a new Assessment is made and notice thereof is delivered to the Owner, at which time any short falls and collections may be assessed retroactively by the POA against such Owner.

ARTICLE VI EASEMENTS

SECTION 6.01 UTILITY EASEMENTS. Perpetual easements on, over and under the Property, to construct, erect, maintain and use electric and telephone poles, wires, cables, conduits, sanitary and storm sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sanitary and storm sewer, water, television and other public conveniences or utilities on, in or over the Property as may be reasonably required for the purposes above. Provided, further, the Developer or the POA, and their successors and assigns, may cut drain ways for surface water wherever and whenever such action may appear to the Developer or the POA, their successors and assigns, to be necessary in order to maintain reasonable standards of health, safety and appearance. These easements expressly include the right to cut trees, bushes or shrubbery, any gradings of the soil and to take any similar action reasonably necessary to provide economical safe utility installation or to maintain reasonable standards of health, safety and appearance. Unless otherwise shown on the Subdivision Plat, such utility easements shall extend, over, under and across a strip of and measuring and extending ten (10) feet in width and running parallel with and adjacent to the Lot boundary lines of each Lot with the Property. The easements reserved herein shall also include any and all utility easements shown and depicted within any portion of the Common Property or any Lot as shown and depicted within any portion of the subdivision Plat. Within these easements, no structures, plantings, or other material shall be placed or permitted to remain which may damage or interfere with installation and maintenance of utilities, or which may damage, or interfere with, or change the direction of flow of drainage facilities in these easements. Such easement areas located within Lots shall be continuously maintained by the Owner except for the improvements for the maintenance of which a public authority or utility company is responsible. No improvements of any kind shall be built, erected or maintained on any such easement without the written approval of Developer and the Board of Directors of the POA, and such easements, shall at all times be open and accessible to the Developer and POA, their successors and assigns, for the right and privilege of doing whatever may be necessary in, on, under and above such locations to carry out any of the purposes for which such easements are reserved. The provisions of this Section herein shall not be construed as an obligation on the part of the Developer or POA to construct, erect or maintain any of the paths or utilities described herein.

SECTION 6.02. EMERGENCY EASEMENT. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

SECTION 6.03. LANDSCAPING/MAINTENANCE EASEMENT. A perpetual easement over any portion of the property which is unimproved which, in the opinion of the Developer or the POA, is not properly maintained for the purpose of landscaping, mowing, removing, clearing, cutting or pruning underbrush, weeds, or other unsightly growth, which in the opinion of the Declarant, or the POA, and their successors and assigns, detracts from the overall beauty, setting and safety of the Property. Entrance upon any such portion of the Property for the purpose of landscaping, mowing, cutting, clearing and pruning shall not be deemed a trespass. The

provisions of this Section shall not be construed as an obligation on the part of the Declarant or POA, or their successors or assigns, to landscape, mow, clear, cut or prune any portion of the Property or provide garbage or trash removal services.

SECTION 6.04. DRAINAGE EASEMENTS. An easement is hereby reserved to the POA, its officers, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels on the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners and the POA, as applicable, to the extent possible, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to a sightly and usable condition as soon as reasonable possible following such work. Any changes must have the prior approval of the Board prior to undertaking such drainage work, which approval shall not be unreasonable withheld.

SECTION 6.05. NO SUBDIVISION OF LOTS. After the conveyance of Lots to Owners by Declarant, no Lot shall be subdivided or its boundaries changed, except with the written consent of the Developer, however, the Declarant and the Developer retain the right to change the boundaries of the Common Property provided that such change does not change the boundary of a Lot owned by an Owner. Likewise, after the conveyance of lot(s) to owners by Declarants the owners may not grant or allow any ingress and/or egress through said lot(s) to adjoining properties without the written consent of Declarant.

ARTICLE VII PROPERTY RIGHTS

SECTION 7.01. GENERAL PROPERTY RIGHTS. Each Lot constitutes real property which shall be owned in fee simple and which, subject to the provisions of these Covenants, may be conveyed, transferred and encumbered the same as any other real property. Each Owner shall be entitled to exclusive ownership and possession of his Lot, subject to the provisions of these Covenants. The Owner of each Lot shall include, and there shall pass with each Lot as is appurtenant thereto, whether or not separately described, all of the right or interest in and to the Common Property as established hereunder, which shall include, but not be limited to, membership in the POA.

SECTION 7.02. OWNER'S EASEMENT OF ENJOYMENT. Subject to the provisions of these Covenants and rules, regulations, fees and charges from time to time established by the Board of Directors of the POA in accordance with the By-Laws and the terms hereof, every Owner, and his family and guests shall have a non-exclusive right, privilege and easement for the use and enjoyment in and to the Common Property, such easement to be appurtenant to and to pass with title to each Lot, subject to the following provisions:

(a) The provisions of these Covenants and the By-Laws.

(b) The right of the POA to borrow money for the following purposes and the pledging and mortgaging of the Common Property as security thereof with the approval of the Developer; (i) for the purpose of improving Common Property, or any portion thereof, (ii) for acquiring additional Common Property, (iii) for constructing, repairing, maintaining or

improving any facilities located or to be located within the Common Property, or (iv) for providing the services authorized to be provided by the POA hereunder. Provided, however, the lien and encumbrance of any such security instrument given by the POA must be approved by the Developer and shall be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of the Declarant, the Developer and the Owners;

(c) The specific rights and easements reserved to the Declarant, the Developer and the POA according to the provisions of Article VI herein;

(d) The right of the Declarant, the Developer or the POA to grant and accept easements on, over and across all or any portion of the Common Property to any public agency or entity, public service district or private or public utility providing utility service to all or any portion of the Property;

(e) The right of POA to convey, develop or otherwise dispose of the Common Property as provided in Article VIII hereof.

SECTION 7.03. NO PARTITION. There shall be no judicial partition of the Common Property, or any portions thereof, nor shall any Owner or other person acquiring any interest in the Property or any portion thereof seek such judicial partition unless the Property has been removed from the provisions of this Declaration.

ARTICLE VIII MAINTENANCE

SECTION 8.01 CARE AND RESPONSIBILITIES OF OWNER. All maintenance and repair of Lots, together with all other improvements thereon and all lawns, landscaping and grounds within a Lot shall be the responsibility of the Owner of such Lot. Each Owner shall be responsible for maintaining his Lot in a neat, clean and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all dwellings, buildings and other structures and all lawns, trees, shrubs, hedges, grass and other landscaping. As provided in Paragraph 4 herein, each Owner shall also be obligated to pay for the costs incurred by the POA for maintaining, repairing, replacing or cleaning any item which is the responsibility of such Owner, but which has been performed by the POA.

SECTION 8.02 RESPONSIBILITY OF POA. Except as may be herein otherwise specifically provided, the POA shall maintain and keep in good repair all portions on the Common Property which responsibility shall include ~~the maintenance,~~ repair and replacement of all roads, roadways, walks, road signs, nature trails, ponds and other improvements situated within the Common Property. The POA shall additionally be responsible for maintaining any and all security systems and utility lines, pipelines, plumbing, wires, conduits and related systems which are part of the Common Property and which are not maintained by public authority, public service district or private or public utility company. All lawns, trees, shrubs, hedges, grass and other landscaping situated

within or upon the Common Property shall be maintained by the POA. No diminution or abatement of assessments, fees or charges shall be claimed or allowed by any reason of any alleged failure of the POA to take some action or perform some function required to be taken or performed by the POA under this Declaration or for any inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the POA, or from any action taken by the POA to comply with any law, ordinance or with any other order or directive of any municipal or other governmental authority. The obligation to pay such assessments, fees and charges are a separate and independent covenant on the part of each Owner.

SECTION 8.03 COMMON PROPERTY CONVEYANCE. Within one (1) year of the completion of the roadways, drainage system, security facilities and other improvements constructed, developed and placed within the Property as portions of the Common Property, such improvements shall be conveyed by the Declarant to the POA, and the POA shall accept the same and shall be responsible for the maintenance, repair, reconstruction, and operation of such improvements. Provided that the above-referenced roadways, drainage systems, security facilities and other improvements constituting portions of the Common Property have been constructed in compliance with applicable governmental permits, approvals and regulations, the POA shall unconditionally and absolutely accept the conveyance of such Common Property and shall be responsible for maintaining, repairing, reconstructing and operating the same as provided above. In conveying such Common Property to the POA, the Declarant or the Developer may reasonably reserve the right to use such Common Property in connection with the development, construction, marketing and use of the Additional Property and other areas of Woodcreek.

SECTION 8.04. POA PERFORMANCE OF OWNER MAINTENANCE. In the event that the Developer or the Board of Directors determine that: (i) any Owner has failed or refused to discharge properly his or her obligations with regard to the maintenance, cleaning, repair or replacement of items for which he or she is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the POA is caused through the willful or negligent act of an Owner, his family, tenants, guests or invitees and is not covered or paid for by insurance in whole or in part, then, in either event, the Developer or the POA, except in the event of an emergency situation, may give such Owner written notice of Developer's or POA's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs and replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair or replacement and diligently proceed to complete the same in a good workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Developer or the POA may provide (But shall not have the obligation to so provide) any such maintenance, repair, cleaning or replacement at the sole cost and expense of such Owner, and said costs shall be added to and become part of the assessment to which

such Owner and his Lot are subject and shall become a lien against such Lot. In the event the Developer undertakes such maintenance, cleaning, repair or replacement, the POA shall promptly reimburse the Developer for Developer's costs and expenses.

ARTICLE IX CONSTRUCTION AND ALTERATION OF IMPROVEMENTS

Section 9.01 General. The Architectural Guidelines and the general instructions set forth in these Covenants shall govern the right of an Owner, builder, or other entity to construct, reconstruct, refinish, alter or maintain any improvement upon, under or above any of the Property (except as provided in Section 6.02.2 above), and to make or create any excavation or fill on the Property, or make any change in the natural or existing surface contour or drainage, or install any utility line or conduit on or over the Property.

Section 9.02 Approval Required. Except to the extent permitted in Section 6.02.2 above, any construction, reconstruction, refinishing or alteration or any part of the exterior of any Building or other improvement on the Property is absolutely prohibited until and unless the Owner or builder first obtains approval from the ASC and otherwise complies with the provisions of these Covenants. All improvements shall be constructed only in accordance with approved plans.

Section 9.03 Deemed Nuisances. Every violation of these Covenants is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against a Member shall be applicable. These Covenants may also be enforced as provided below.

Section 9.04 Removal of Nonconforming Improvements. The POA, upon recommendation of the ASC and after reasonable notice to the offender and to the Lot Owner, may remove any improvement constructed, reconstructed, refinished, altered or maintained in violation of these Covenants, and the Owner of the improvement shall immediately reimburse the POA for all expenses incurred in connection with such removal.

Section 9.05 Construction Methods. Specific rules regarding construction methods, including but not limited to excavation, drainage, utility lines, loading areas, waste storage, trash removal, materials storage and transformers and meters shall be set forth in the Architectural Guidelines, and all Owners shall comply with those rules.

ARTICLE X GENERAL COVENANTS AND RESTRICTIONS

The POA, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of Lots. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, canceled or modified in accordance with the amendment provisions of these Covenants.

Land use standards constituting the initial restrictions and

standards were established by the Declarant. Unless otherwise indicated, all such restrictions and standards apply to all Lots.

Section 10.01 Residential use Only. The Lots shall be used for residential purposes only, and no commercial use shall be permitted. This restriction shall not be construed to prevent rental of any Dwelling for private residential purposes or to prevent an individual Lot owner from conducting home occupations in the Dwelling, which occupation is subordinate to the primary residential use and occupies not greater than twenty (20%) percent of the Dwellings floor area or employs no more than 2 persons.

Section 10.02 Parking and Garages. All vehicles will park only in their garages or in the driveways serving their lots or appropriate spaces or designated areas in which parking may or may not be allowed and then subject to such reasonable rules and regulations as the Board may adopt. All commercial vehicles (i.e., those having lettering or logos), tractors, golf carts, mobile homes, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers and any unregistered vehicle must be parked entirely within a garage unless otherwise permitted by the Board. No garage may be altered in such a manner that the number of automobiles which may reasonably be parked therein after the alteration is less than the number of automobiles that could have reasonably been parked in the garage as originally constructed. Any such vehicle or recreational equipment parked in violation of these or other regulations contained herein or in the rules and regulations now or hereafter adopted by the POA may be towed by the POA at the sole expense of the Owner of such vehicle or recreational equipment if it remains in violation for a period of twenty-four (24) hours. The POA shall not be liable to the owner of such vehicle or recreational equipment for trespass, conversion or otherwise, nor guilty of any criminal act by reason of such towing and neither its removal or failure of the Owner to receive any notice of said violation shall be grounds for relief of any kind.

Section 10.03 Vehicle Maintenance and Repair. No maintenance or repairs shall be performed on any vehicles upon any portion of the Property, unless performed in a garage, except in an emergency situation. Notwithstanding the foregoing, all repairs to disabled vehicles within the Property must be completed within four (4) hours from its immobilization or the vehicle must be removed.

Section 10.04 Signs. No sign or other advertising device of any nature shall be placed upon any part of the Property except as provided herein. The ASC may, in its discretion, adopt and promulgate rules and regulations relating to signs which may be employed. Signs and other advertising devices may be erected and maintained upon any portion of the Property if approved by the ASC as to color, location, nature, size and other characteristics of such signs or devices. Notwithstanding the foregoing, Developer specifically reserves the right to itself, its successors, nominees, assigns to place and maintain signs in connection with identification or information anywhere on the Property.

Section 10.05 Maintenance of Hedges and Plants. Each Owner shall be responsible for and shall maintain all landscaping, grass, driveways, parking areas, structures and grounds located on each Lot in good condition and repair and in a neat and attractive manner. The POA shall have the right to enter upon any part of a

Lot in order to cut, trim, prune or replace, at the expense of the Owner, any grassed area, hedge or other planting which in the opinion of the POA or the ASC, by reason of its location upon the Lot or the height to which it is permitted to grow, is unreasonably detrimental to the adjoining property or obscures the view of street traffic or is unattractive in appearance, provided, however, that the Owner shall be given seven (7) days' prior written notice of such action.

Section 10.06 Approved Builders. All residential construction on any Lot located within the Property of Woodcreek shall be made by a builder approved by the ASC, with said approval not to be unreasonably withheld security deposit by builder.

Section 10.07 Occupants Bound. All provisions of these Covenants and of any rules and regulations or use restrictions promulgated pursuant hereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of any Lot.

Section 10.08 Minimum Square Footage. No dwelling shall be erected on any Woodcreek Lot (Lots #) having less than 1,200 square feet of heated floor space, excluding carports, garages and porches; and on any Woodcreek Estate lot (Lots #) having less than 1,500 square feet of heated floor space, excluding carports, garages and porches.

Section 10.09 Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept or permitted on an owners Lot, with the exception of dogs, cats or other usual and common household pets, but not more than a total of two (2); provided, however, domesticated animals which are household pets shall, at all times whenever they are outside an owners' Lot, be confined on a leash held by a responsible person and shall be walked only in those areas designated by the POA.

Section 10.10 Nuisance. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on his or her Lot. No Lot shall be used, in whole or in part, for the storage of any property or item that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any Lot that will emit foul or obnoxious odors or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No obnoxious or offensive activity shall be carried out upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any property adjacent to the Lot. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Property.

Section 10.11 Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Property.

Section 10.12 Antennas and Cable Service. No exterior television or radio antennas or satellite dishes no larger than 24 inches in diameter shall be placed, allowed or maintained upon any portion of the Property. No cable service shall be allowed in the subdivision except that provided by Time Warner Cable, its successors or assigns without the express written consent of the Declarant.

Section 10.13 Garbage Cans, Tanks, Etc. All garbage cans, above-ground tanks and other similar items shall be located so as to be concealed from view of neighboring Lots, streets and property located adjacent to the Lot. All rubbish, trash and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate thereon. Clothes lines are not allowed on any lot.

Section 10.14 Subdivision of Lots. No Lot shall be subdivided. Boundary lines may not be changed without the prior written approval of the Developer. Any such approved division, boundary line change or re-platting shall not be in violation of the applicable subdivision and zoning regulations. Likewise, the owner(s) of the lot(s) may not grant or allow any ingress and/or egress through said lot(s) to adjoining property without the written consent of Declarant. (See also Section 6.05).

Section 10.15 Guns. The use of firearms within the Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size.

Section 10.16 Pools. No above-ground pools shall be erected, constructed or installed on any Lot.

Section 10.17 Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, canals or other waterways within the Property shall be installed, constructed or operated within the Property, unless approved by the ASC.

Section 10.18 Tents, Trailers and Temporary Structures. Owners or occupants shall not place upon a Lot or any part of the Property any tent or trailer or any structure of a temporary nature, such as a tent, shack or utility shed.

Section 10.19 Drainage. No Owner shall do or permit any work, construct any improvements, place any landscaping or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern of the Property, except to the extent such alteration and drainage pattern is approved in writing by the ASC or Board and except for rights reserved to Declarant or Developer to alter or change the drainage patterns.

Section 10.20 Construction Regulations of the Architectural Guidelines. All Owners and contractors shall comply with the construction regulations portion of the Architectural Guidelines. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities; parking areas; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors and Owners' representatives on the Property at any time; the conservation of landscape materials; and fire protection.

Section 10.21 House Numbers and Mail Boxes. Each dwelling

shall have a house number, mail box and paper box with a design and location established by the ASC.

Section 10.22 Continuity of Construction. All improvements commenced on the Property shall be prosecuted diligently to completion and shall be completed within twelve (12) months of commencement, unless an exception is granted in writing by the ASC. If an improvement is commenced and construction is then abandoned for more than ninety (90) days, or if construction is not completed within the required 12-month period, then fines may be imposed per the Architectural Guidelines the POA may impose a fine of not less than \$500.00 per day on the Owner of the Lot. Such charges shall be a default Assessment and lien as provided in Section 4.02 above. Landscaping shall be completed within 150 days of completion of construction (final landscape plans within ninety (90) days of Certificate of Occupancy, landscaping completed within sixty (60) days of final submission) or fines may be imposed as defined in the Architectural Guidelines.

Section 10.23 Leasing. The Owner of a Lot shall have the right to lease such residential structure, subject to the following conditions:

10.23.1 All leases shall be in writing and for a minimum term of ninety (90) days.

10.23.2 The lease shall be specifically subject to the Woodcreek Documents, and any failure of tenant to comply with the Woodcreek Documents shall be a default under the lease.

10.23.3 The Owner shall be liable for any violation of the Woodcreek Documents committed by the Owner's tenant, without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant.

Section 10.24 Set-Back lines. No building shall be located nearer than twenty (20') feet to any road right-of-way; nor located any nearer than ten (10') feet to any interior lot line; nor located nearer than ten (20') feet to any rear lot line on interior lots; nor located nearer than ten (20') feet from the 360 degree contour line on lake front lots. ASC must approve the exact location of all residences before the foundation is poured. (see Section 6.01 - Utility easement)

Section 10.25 Well limitation; Water Supply. No individual water system or well of any type shall be maintained, drilled or permitted on any Lot.

Section 10.26 Sewage Disposal. Each Owner of a Lot, at his expense, shall connect his sewage disposal line to the sewage collection line provided to serve that Owner's Lot so as to comply with the requirements of such sewage collection and disposal service of the City of Conway, or its successors or assigns. After such connection, each Owner shall pay when due the periodic charges or rates for the furnishing of such sewage collection and disposal service. No private sewage disposal unit shall be installed or maintained on the land covered by this Covenants. Any and all lots not connected to the City of Conway system will be assessed a monthly sewer availability fee, at such amount as set by the City of Conway and will begin at such time as system is in place and accepted by the City of Conway.

All platted lots in The Woodcreek and Woodcreek Estates Subdivision shall be provided municipal sewer service by the City of Conway or the regional sewer service. No individual Septic Tanks or Drain Fields shall be permitted on any lot, unless expressly authorized by the said Municipality. The Municipality, its agents, successors, or assigns, shall have the right of access to all portions of the Municipal Sewer System located within the Subdivision, in accordance with easements as reserved by the Declarant herein, and as shown on all recorded plats. Each lot shall be assigned a Regional Sewer Tap Certificate by the City of Conway. The owner of each lot is subject to all sewer charges assessed upon the Subdivision by Ordinance and by contract between the Developer and the Municipality, including uniform "Sewer Availability Fees" assessed upon each unimproved platted lot, and "Water and Sewer User Fees" assessed upon issuance of a Certificate of Occupancy. Such charges shall constitute a lien upon the property assessed, and such lien shall be superior to all other liens except liens for unpaid property taxes, as authorized by statute.

Section 10.27 No Overhead Wires. All telephone, electric and other utility lines and connections between the main utility lines and the residence or other building located on each Lot shall be concealed and located under ground, unless necessary to maintain existing electrical service. Each Lot Owner requiring an original or additional electric service shall be responsible to complete at his expense the secondary electric service, conduits, wires, conductors and other electric facilities from the point of the applicable transformer to the Owner's Lot improvements, and all of the same shall be underground and remain the property of the Owner of each such Lot.

Section 10.28 Lighting Restriction. It will be the responsibility of each individual lot owner to prevent the use of any exterior light at unreasonable hours or to insure that said lighting is used in such a manner to be considered a nuisance or annoyance to the surrounding lots.

Section 10.29 Multiple Ownership No lot in the Woodcreek Subdivision shall have more than four (4) owners nor corporate ownership without the prior written consent of the Developer. No multiple ownership or related activity such as "Time share ownership" without the prior written consent of the Developer.

ARTICLE XI DAMAGE OR DESTRUCTION

Section 11.01 Damage or Destruction Affecting Lots. In the event of damage or destruction to the improvements located on any Lot, the Owner thereof shall promptly repair and restore the damaged improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within one hundred Ninety (90) days from the date of such damage or destruction, or if repair and reconstruction is commenced but then abandoned for a period of more than sixty (60) days, or if the repair and/or construction is not complete within two hundred forty (240) days from the date of the original damage then the POA may impose fines per the Architectural Guidelines. Such fine shall be a default Assessment and a lien against the Lot as provided in Section 4.02 above.

ARTICLE XII

ENFORCEMENT OF COVENANTS

Section 12.01 Violations Deemed a Nuisance. Every violation of these Covenants or any other of the Woodcreek Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement of the violation. In addition, all public and private remedies allowed by law or in equity against anyone in violation of these Covenants shall be available.

Section 12.02 Compliance. Each Owner or other occupant of any part of the Property shall comply with the provisions of the Woodcreek Documents as the same may be amended from time to time.

Section 12.03 Failure to Comply. Failure to comply with the Woodcreek Documents shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the By-Laws shall be given to the delinquent party prior to commencing any legal proceedings.

Section 12.04 Who May Enforce. Any action to enforce the Woodcreek Documents may be brought by the Developer or the Board in the name of the POA on behalf of the Owners. After a written request from an aggrieved Owner, the aggrieved Owner may bring such action before the Board. If, after meeting with Board of Directors, no action is taken to enforce the Woodcreek Documents then the aggrieved Owner may appeal to the Board. If, after meeting with the Board, no action is taken to enforce the Woodcreek Documents, then the aggrieved Owner may bring such action.

Section 13.05 Remedies. In addition to the remedies set forth above, any violation of the Woodcreek Documents shall give the Board or a designated representative of the Developer, on behalf of the Owners, the right to enter upon the offending premises or take appropriate peaceful action to abate, remove, modify or replace, at the expense of the offending Owner, any structure, thing or condition that may exist thereon contrary to the interest and meaning of the Woodcreek Documents. If the offense occurs on any easement, walkway, Common Area or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

Section 12.06 Non-Exclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

Section 12.07 No Waiver. The failure of the Board of Directors, Developer, Declarant, the ASC or any aggrieved Owner to enforce the Woodcreek Documents shall not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any other part of the Woodcreek Documents at any future time.

Section 12.08 No Liability. No Member of the Board of Directors, Developer, Declarant, the ASC, or any Owner shall be liable to any other Owner for the failure to enforce any other Woodcreek Documents.

Section 12.09 Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Woodcreek Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Woodcreek

Documents or the restraint of violations of the Woodcreek Documents, the prevailing party shall be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred, or if suit is brought, as may be determined by the court.

ARTICLE XIII RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and the POA or the ASC relating to the interpretation, performance or non-performance, violation or enforcement of the Woodcreek Documents, such dispute or violation may be subject to a hearing and determination by the Board in accordance with the procedures set forth in the By-Laws.

ARTICLE XIV DURATION OF THESE COVENANTS AND AMENDMENT

Section 14.01 Term. The covenants and restrictions of these Covenants shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the POA or the Owner of any property subject to this Covenants, their respective legal representatives, heirs, successors and assigns for a term of twenty (20) years from the date these Covenants is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change covenants and restrictions, in whole or in part, or to terminate the same.

Section 14.02 Amendment. The Developer specifically reserves unto itself the right to amend, change and/or modify these Covenants, the Articles and By-laws as it deems necessary; provided however, said modifications shall not be material in nature or shall not affect the value of the owners property. After such time as 100% of the lots have been conveyed in the Woodcreek Subdivision, including Woodcreek and Woodcreek Estates, these Covenants, the Articles, or the Bylaws may be materially amended only by a unanimous vote of the Board and the affirmative vote of fifty-five (55%) percent of the Owners voting, including those Owners voting by absentee ballot. Any amendment must be recorded in the R/D Office of Horry County, South Carolina.

Section 14.03 Effective on Recording. Any modification or amendment shall be immediately effective upon recording in the R/D Office for Horry County, South Carolina a copy of such amendment or modification, executed and acknowledged by the necessary number of Owners (and by Declarant, as required), together with a duly authenticated Certificate of the Secretary of the POA stating that the required number of consents of Owners were obtained and are on file in the office of the POA.

ARTICLE XV PRINCIPLES OF INTERPRETATION

Section 15.01 Severability. These Covenants, to the extent possible, shall be construed or reformed so as to give validity to all of its provisions. Any provision of these Covenants found to

be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceable without invalidating any other part hereof.

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

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

Section 15.04 Registration of Mailing Address. Each Member shall register his mailing address with the Secretary of the POA from time to time, and notices or demands intended to be served upon or given to a Member shall be personally delivered or sent by mail, postage prepaid, addressed in the name of the Member at such registered mailing address.

Section 15.05 Notice. All notices or requests required shall be in writing. Notice to any Member shall be considered delivered and effective upon personal delivery or three (3) days after posting, when sent by certified mail, return receipt requested, to the address of such Member on file in the records of the POA at the time of such mailing. Notice to the Board, the POA, the ASC shall be considered delivered and effective upon personal delivery or three (3) days after posting, when sent by certified mail, return receipt requested, to the POA, the Board, the ARC at such address as shall be established by the POA from time to time by notice to the Members. General notices to all Members or any classification thereof need not be certified, but may be sent by regular first class mail.

Section 15.06 Waiver. No failure on the part of the POA, the Board, or the ASC to give notice of default or to exercise or to delay in exercising any right or remedy shall operate as a waiver, except as specifically provided above in the event the Board fails to respond to certain requests. No waiver shall be effective unless it is in writing, signed by the Chairman or Vice Chairman of the Board on behalf of the POA, or by the Chairman of the ARC on behalf of the ASC.

Section 15.07 Limitation of Liability and Indemnification. The POA shall indemnify every board Member or ASC Member against any and all expenses, including trial and appellate attorneys' fees and costs reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be party by reason of being or having been a Board Member or ASC Member. The Board Members and ASC Members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful malfeasance, misconduct or bad faith. The Board Members and ASC Members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the POA (except to the extent that such Board Member and ASC Member may also be Members of the POA), and the POA shall indemnify and forever hold each such Board Member or ASC Member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any

Board Member or ASC Member may be entitled.

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

Section 15.09 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the POA unless approved by a majority vote of the Board. This Section 17.09 shall not apply, however, to: (a) actions brought by the POA to enforce the provisions of these Covenants (including, without limitation, the foreclosure of lien); (b) the imposition and collection of Assessments as provided in Article IV hereof; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims or crossclaims brought by the POA in proceedings instituted against it. This Section 17.09 shall not be amended unless such amendment is approved by the percentage votes and, pursuant to the same procedures, necessary to institute proceedings as provided herein.

Section 15.10 Indemnity for Damages. Each and every Owner and future Owner, in accepting a deed or contract for any Lot subject to these restrictions, agrees to indemnify Declarant for any damage caused by such Owner, or the contractor, agent or employees of such Owner, to roads, streets, gutters, walkways or other aspects of public ways, including all surfacing thereon, or to water, drainage or storm sewer lines, or sanitary sewer lines, or other utilities such as telephone, cable television, electricity or gas lines.

Section 15.11 Assignment. Declarant and/or Developer may assign all or any part of its rights and reservations hereunder to any successor who takes title to all or part of the Property in a bulk purchase for the purpose of development and sale. Such successor shall be identified, the particular rights being assigned shall be specified, and, to the extent required, concomitant obligations shall be expressly assumed by such successor, all in written instrument duly recorded in the R/D Office for Horry County, South Carolina.

WITNESS

WOODCREEK AT CONWAY, LLC.
A SOUTH CAROLINA LIMITED LIABILITY
CORPORATION

Thelma Weaver
[Signature]
STATE OF SOUTH CAROLINA)
COUNTY OF Horry)

BY: [Signature]
ITS: [Signature]

BY: [Signature]
ITS: [Signature]

PROBATE

Personally appeared deponent and made oath that deponent saw the within named Robert B. Lewis sign, seal and as their act and deed deliver the within Declaration of Covenants and that deponent, with the other witnesses whose names

are subscribed above, witnessed the execution thereof.

SWORN to before me this 14
day of August, 2000.

Brandon G. Curry
Notary Public for South Carolina
My Commission Expires: 3-8-2009