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

STATE OF SOUTH CAROLINA	)	FIRST AMENDED DECLARATION
	)	OF COVENANTS, CONDITIONS
	)	AND RESTRICTIONS FOR
COUNTY OF CHARLESTON	)	HARLESTON GREEN

THIS First Amended Declaration, made on the date hereinafter set forth by Harleston Green, A South Carolina Joint Venture and Partnership (hereinafter "the Declarant") and the other owners of record of lots in the Harleston Green Development;

W I T N E S S E T H:

WHEREAS, the Declarant and the other owners are the owners of certain property in Charleston County, South Carolina, which is more particularly described as:

> ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being in Harleston Green, in the City of Charleston, County of Charleston, State of South Carolina and being the major portion of a city block, bounded on the Northeast by Smith Street, on the Northwest by Calhoun Street, on the Southwest by Rutledge Avenue, and on the Southeast by Bull Street. The property herein described is shown on a plat prepared of the Subdivision of Harleston Green by Harold B. Nielson, Jr., Registered Professional Engineer and Land Surveyor, dated November 7, 1984, with a most recent revision dated March 5, 1987 and recorded in the RMC Office for Charleston County on march 19, 1987 in Plat Book BM at Page 95, and shown to contain all of the lots depicted on the above referenced plat EXCEPT: lots or areas numbered 2, 5, 6, 7, 8, 10, 11, 12, 73, 74, 76, 77, 78, 79, 80, 81, 86, 87, 88, 93, 94, 95, 119, 122, 123, 124, 125, 126 and 128.

WHEREAS, Declarant has conveyed portions of the Property to the other owners of record or will convey the said Property,

subject to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth;

WHEREAS, based on certain changes in the development of said Property, as described above, Declarant and the other owners of record have recognized the necessity of amending that certain Declaration of Covenants, Conditions and Restrictions for Harleston Green dated July 25, 1985 and recorded August 7, 1985 in the RMC Office for Charleston County in Book D147 at Page 592 and in connection therewith decree this First Amended Declaration of Covenants, Conditions and Restrictions for Harleston Green for the benefit of all purchasers of lots within said Property; and

WHEREAS, said Declaration of Covenants, Conditions and Restrictions for Harleston Green included lots or areas numbered 2, 6, 7, 73, 74, 76, 77, 78, 79, 80, 81, 122, 123, 126 and 128 on the plat described above, which lots or areas are to be deleted from the regime established therein by the within First Amended Declaration of Covenants, Conditions and Restrictions for Harleston Green because, as a result of the changes in the development of the Property, said deleted lots or areas no longer receive any benefit from the said regime established pursuant to said Declaration of Covenants, Conditions and Restrictions for Harleston Green; and

WHEREAS, Declarant and the other owners of record have recognized the need for collective action by the purchasers of said lots within said property to protect the interest of the

purchasers in certain common facilities and parking and to enforce these First Amended Covenants, Conditions and Restrictions; and

WHEREAS, Declarant has caused to be incorporated under the laws of the State of South Carolina, HARLESTON GREEN TOWNHOME ASSOCIATION INCORPORATED, a non-profit association, for the purpose of administering the common facilities and parking, administering and enforcing these First Amended Covenants, Conditions and Restrictions and collecting and dispursing the assessments and charges hereinafter created or already created in the By-Laws of the Harleston Green Townhome Association Incorporated.

NOW, THEREFORE, Declarant and the other owners of record hereby declare that all of the Property described above, except the lots specifically deleted herein, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said Property. These easements, restrictions, covenants and conditions shall run with said Property and shall be binding on all parties having or acquiring any rights, title or interest in the described Property or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Harleston

Green Townhome Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

Section 2. "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the Directors of the Association.

Section 3. "Building" shall mean and refer to a structure containing one or more residences constructed or erected on the Property.

Section 4. "By-Laws" means the by-laws of the Association as they now or hereafter exist.

Section 5. "Common Area" shall mean and refer to all land within the Property owned by the Association, along with parking and improvements erected or constructed thereon, for the exclusive use and enjoyment of the members of the Association as shown on the aforementioned recorded plat. Said Common Area shall be maintained by the Association. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

> All that certain piece, parcel or tract of land, with the improvements thereon, situate, lying and being in the City of Charleston, County of Charleston, State of South Carolina, and being known as the Common Area and depicted by the dotted area on a plat prepared of the Subdivision of Harleston Green by Harold B. Nielson, Jr., Registered Professional Engineer and Land Surveyor dated November 7, 1984 with a most recent revision dated March 5, 1987 and recorded in the RMC Office for Charleston County on March 19, 1985 in Plat Book BM at Page 95. Said common area will also include some additional parking area at the rear of Lot 123, based on a revision of the rear lot line for Lot 123 and the plat to be recorded reflecting that revision.

Section 6. "Common expenses" shall mean and include:

(a) All sums lawfully assessed by the Association against its members;

(b) Expenses for maintenance of the residences as provided in this First Amended Declaration;

(c) Expenses of administration, maintenance, repair or replacement of the Common Area;

(d) Expenses declared to be common expenses by the provisions of this First Amended Declaration or by the By-Laws;

(e) Hazard, liability or such other insurance premiums as required in this First Amended Declaration;

(f) Expenses agreed by the members to be common expenses of the Association.

Section 7. "Common profits" shall mean and refer to the balance of all income, rents, profits, and revenues of the Association remaining after the deduction of the common expenses or reserves therefor. Common profits shall not mean or include any sum lawfully assessed against members by the Association.

Section 8. "Declarant" shall mean and refer to Harleston Green, A South Carolina Joint Venture and Partnership, its successors and assigns to whom the rights of the Declarant are expressly transferred, or such successors or assigns who acquire more than one undeveloped lot for the purpose of development, or acquire title to unsold property under a deed in lieu of foreclosure or judicial foreclosure, or one otherwise denominated as "Declarant" hereby.

Section 9. "Lot" shall mean and refer to any plot of land, other than the Common Area, shown on a recorded subdivision plat of the Property and upon which a townhome has been or may be constructed and shall also include each condominium unit in 114 and 112 Rutledge Avenue, there being four (4) units in each dwelling.

Section 10. "Member" shall mean and refer to every person who is a member of the Association.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Property, including contract sellers, but excluding those who have such interest merely as security for the performance of an obligation.

Section 12. "Person" shall mean and refer to any individual, corporation, partnership, association, trustee or other legal entity.

Section 13. "Property" shall mean and refer to that certain real property described hereinabove.

Section 14. "Townhome" shall mean and refer to a dwelling or place of residence or portion of a dwelling constructed upon a lot within the Property and constituting a building, or a part of a building.

Section 15. "PUD" shall mean a Planned Unit Development. This project may be referred to from time to time as a Planned Unit Development ("PUD").

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every assessed lot, subject to each of the following provisions:

(a) The right of the Association to limit the number of guests or members.

(b) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities.

(c) The right of the Association to suspend the voting rights and the use of parking spaces by a member, or any person to whom he/she/it has delegated his/her/its voting right or use of parking spaces, for any period during which any assessment against his/her/its lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(d) The rights of owners to the exclusive use of parking spaces as provided in this Article.

(e) The right of the Association to formulate, publish, and enforce rules and regulations as provided in Article X.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his/her/its right of enjoyment to the Common Area and parking spaces to the members of his/her/its

immediate family, tenants, or contract purchasers; provided, however, every such delegatee must reside on the property.

Section 3. Title to Common Area. The Declarant may retain the legal title to the Common Area until such time as it has completed the improvements or restoration thereon, and until such time as, in the opinion of the Declarant, the Association is able to maintain the same; but notwithstanding any provision herein, the Declarant hereby covenants that it shall convey the Common Area shown upon the recorded plat referred to in the premises of this First Amended Declaration, to the Association, free and clear of all liens and encumbrances, within three hundred sixty-five (365) days from the date hereof, except utility and drainage easements and easements to governmental authorities upon condition that such area as shall be designated "Common Area" shall be for the sole and exclusive use and benefit of members, as long as such area is maintained in conformity with the requirements of this First Amended Declaration, the By-Laws, as amended, and the Articles of Incorporation of the Association, at the sole expense of the owners.

From the date of the first conveyance of title by the Declarant to an owner of a lot until the date of the first Association meeting, the Declarant or its designee, shall serve as the Interim Management Agent with responsibility for coordinating all normal management services of the Association. During such period, the Declarant, as Interim Management Agent, or its designee, shall receive a reasonable monthly management fee from

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the proceeds of the monthly maintenance assessment for each lot, payable as established herein.

Upon selection by the Association of a Regular Management Agent, the Interim Management Agent shall provide to the Regular Management Agent an accounting of operating revenues and expenses and turn over all unused funds to the Association. After adoption of the annual budget, the Declarant shall be subject to regular assessments for any lots with completed improvements built thereon and still owned by it.

Section 4. Parking Rights. The owner or owners of each lot shall be entitled to two automobile parking spaces, which shall be designated exclusively for each such lot by the Association Parking Plan. The parking spaces shall be as near and convenient to said lot as reasonably possible, together with the right of ingress and egress in and upon said parking spaces. No boats, trailers, campers or recreational vehicles shall be parked within the Common Area, or rights-of-way of any public or private street in or adjacent to the Property, or in any individual parking space or on any lot within the Property.

ARTICLE III

MEMBERSHIP

Section 1. Members. Every person who is record owner of a fee or an undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, including contract sellers, but excluding persons who hold an interest merely as security for the performance of obligations, shall be a

member of the Association. Ownership of such interest shall be the sole qualification for such membership. No owner shall have more than one membership in the Association, and there shall be only one vote per lot in such Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. The Board of Directors may make reasonable rules regarding proof of ownership.

Section 2. Release of Certain Lots. Since the original Declaration of Covenants, Conditions and Restrictions for Harleston Green was made on July 25, 1985 by the Declarant and recorded in the RMC Office for Charleston County on August 7, 1985 in Book D147 at Page 592, certain changes have been required in the development of the Property to handle parking and drainage requirements for the Property, as well as to meet certain other regulatory requirements of the City of Charleston. As a result of these changes, the Declarant has been forced to drop the original plan to have a swimming pool installed behind Lot 123 and instead to create a parking area in this space for the benefit of all of the owners herein. As a result of this change, the only benefit of the regime created by the original Declaration of Covenants, Conditions and Restrictions for Harleston Green is the use of the parking spaces for those units which do not have driveways and the enjoyment of the landscaping for those units which are contiguous to the Common Area.

As a result, it is necessary and beneficial for all of the members of the Association that certain lots be removed from the

regime by this First Amended Declaration. The lots which will be removed are those lots which derive no benefit from the new regime, without the swimming pool, being those lots which have their own parking and landscaping and do not make use of the common parking and landscaping. By removing these lots, the remaining members are relieved of the responsibility for providing common parking for those lots, thereby making more parking available to them. The remaining members are also relieved of the responsibility for maintaining the driveways and landscaping for those lots which are removed, thereby decreasing costs for the remaining members of the Association.

Accordingly, the following lots have been removed from the regime by this First Amended Declaration: Lots 2, 6, 7, 73, 74, 76, 77, 78, 79, 80, 81, 122, 123, 126 and 128, all being lots on the perimeter of the project which derive no benefit from the common parking and common landscaping in the Common Area and which have their own parking areas and landscaping which otherwise would have to be maintained by the remaining members of the Association.

ARTICLE IV

VOTING RIGHTS

Section 1. Classes. The Association shall have the following two classes of voting membership:

(a) Class A. Class A members shall be all owners, with the exception of the Declarant. Class A members shall be entitled to one vote for each lot owned. When more than one person holds an

interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as the owners thereof determine, but in no event shall more than one vote be cast with respect to any lot, and no fractional vote may be cast with respect to any lot. - they own none

(b) Class B. The Class B member shall be the Declarant, and it shall be entitled to three (3) votes for each lot in which it holds a fee or undivided fee interest; provided, however, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) When the total voters outstanding in Class A membership equal the total vote outstanding in Class B membership, or

(2) October 31, 1991.

ARTICLE V

COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Every owner of any lot, by acceptance of a deed therefor, whether it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

(a) Annual assessments or charges;

(b) Special assessments for capital improvements; and

(c) Special assessments for purchase and reconstruction of townhomes as hereinafter provided.

Such assessments shall be fixed, established and collected from time to time as hereinafter provided.

The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the lot and improvements against which each such assessment is made. Each such assessment, together with such interest, cost of collection and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of the lot at the time the assessment fell due. The personal obligation of an owner for delinquent assessments shall pass to his/her/its successors in title. All assessments shall be shared equally by the owners of each lot.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the health, safety and welfare of the residents and the Property; enforcing these covenants and the rules of the Association; improving and maintaining the Common Area; and making any required repair to any townhomes subject to this regime.

Section 3. Amount of Assessment.

(a) Initial Assessment. To and including December 31, 1988, the initial annual assessment shall not be in excess of One Hundred Twenty And No/100 ($120.00) Dollars per lot, the exact amount of which shall be determined from time to time as provided in Subsection (c) of this Section 3.

(b) Increase by Association. During November of each year beginning in 1988, the annual assessment effective for any succeeding year may be increased by the Board of Directors, without a vote of the membership, which increase shall be effective as of January 1 of any succeeding year.

(c) Criteria for Establishing Annual Assessment. In establishing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts and reserves for future needs.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto; provided, however, that any such assessments shall have the assent of two-thirds (2/3) of the votes of each class for this purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4

shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots, on a per lot basis, and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessment; Due Dates. The annual assessments provided for herein shall be paid in equal monthly installments, and the payment shall commence as to each lot upon conveyance by the Declarant. The first annual assessment shall be adjusted according to the number of remaining months in the calendar year. The Board of Directors shall fix the amount of the annual assessment for any succeeding year at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association, upon demand at any time, shall furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a

specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessments or portion thereof which are not paid when due shall be delinquent. If the assessment or portion thereof is not paid within thirty (30) dyas after the due date, the same shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum. The Association may bring an action against the owner personally obligated to pay the same, or foreclose the lien against the property, and, in either event, interest, costs of collection and reasonable attorney's fees for any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his/her/its lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein on any lot shall be subordinate to the lien of any first mortgage on such lot to the extent of any advances made pursuant to said mortgage prior to the lien.

ARTICLE VI

EXTERIOR MAINTENANCE

Each owner shall provide exterior maintenance upon his/her/its lot, as follows: stain and/or paint the exterior of any townhome, repair, replace and care for roofs, gutters, down-

spouts, exterior building surfaces, trees, shrubs, grass, walks, mailboxes, decks, railings and utility rooms and other such exterior improvements on any such lot that may be necessary. Failure of an owner to perform exterior maintenance that, in the sole discretion of the Association, is necessary, shall result in a revocation of that owner's maintenance rights. In that event, the Association may perform the necessary maintenance, the cost of which shall be added to and become a part of the assessment to which such lot is subject. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each lot at reasonable times to perform maintenance as provided in this Article.

In the event that the need for maintenance or repair of a lot or the improvements therein is caused through the willful or negligent acts or its owner or his/her/its family, tenants, contract purchasers, quests or invitees, or is caused by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles or smoke, as the foregoing are defined and explained in South Carolina standard fire and extended coverage insurance policies, the cost of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which such lot and such lot alone is subject.

Any owner who fences or encloses any portion of his/her/its lot (which fence or enclosure shall require the prior written

approval of the Association) may plant trees, shrubs, flowers and grass in the fenced or enclosed portion as he/she/it elects and shall maintain the fenced or enclosed portion at his/her/its own expense, provided that such maintenance does not hinder the Association in performing its maintenance duties as to the townhome, the remaining yard spaces, or the Common Area. No such maintenance by an owner shall reduce the assessment payable by him/her/it to the Association. If, in the opinion of the Association, any such owner fails to maintain his/her/its yard in a neat and orderly manner, the Association may revoke the owner's maintenance rights for a period not to exceed one year, and the Association shall perform maintenance during the revocation period. The owner shall not plant any vegetation in front of his/her/its townhome except with the prior written approval of the Association.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of the townhomes upon the Property and placed on the dividing line between the lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liablity for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to their rights pursuant to any law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an owner who by his/her/its negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 6. Easement and Right of Entry for Repair, Maintenance and Reconstruction. Every owner shall have an easement and right of entry upon the lot of any other owner to the extent reasonably necessary to perform repair, maintenance or reconstruction of a party wall by an exterior wall, roof or other exterior protion of any townhome. Such repair, maintenance or reconstruction shall be done expeditiously, and, upon completion

of the work, the owner shall restore the adjoining lot or lots to as near the same condition as the condition which prevailed prior to commencement of the work as is reasonably practicable.

Section 7. Certification with Respect to Contribution. If any owner desires to sell his/her/its lot, he/she/it may, in order to assure a prospective purchaser that no adjoining owner has a right to contribution as provided in this Article request of the adjoining owner or owners a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining owner to make such certification immediately upon request and without charge. If the adjoining owner claims the right of contribution, the certification shall contain a recital of the amount claimed and the basis therefor.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided in Article VIII herein.

ARTICLE VIII

ARTIBRATION

In the event that any dispute arises concerning any matter covered by this First Amended Declaration; concerning any interpretation of the provisions herein as they are applicable to the members of the Association or the Property; or concerning any dispute among the members or between a member and the Association, such disputes shall be settled by arbitration as provided in Section 15-48-10 et seq. of the South Carolina Code of Laws,

1976 (as amended), the Uniform Arbitration Act, as that Act now exists or may be hereafter amended, by an arbitrator appointed by the American Arbitration Association, acting pursuant to said Uniform Arbitration Act and pursuant to the rules of that Association.

ARTICLE IX

ARCHITECTURAL CONTROL

No building, fence, wall, antenna, clothesline, or other structure, or any change in exterior color shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to, or change or alteration therein, be made until the plans and specification showing the nature, kind, shape, height, materials and location of the said improvements or alterations shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by the Architectural Committee or by any applicable governmental agency. In the event that the said Board or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and compliance with this Article shall be automatic; provided that the plans and specifications required to be submitted shall not be deemed to have been received if they contain erroneous data or fail to present accurate information upon which the Board or its committee can arrive at a decision.

The Board or its committee shall have the right, at its election, to enter upon any lot during construction, erection or installation of improvements or alterations to inspect the work being undertaken in order to determine that such work is being performed in confirmity with the approved plans and specifications and in good and workmanlike manner, utilizing approved methods and good quality materials.

ARTICLE X

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each lot and the Common Area. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the owners and available to them for inspection during normal business hours.

Section 2. Use of Property. Each building, the townhomes and the Common Area shall be for the following uses and subject to the following restrictions, in addition to those set forth in the By-Laws:

(a) All buildings and the Common Area shall be used for residential and related common purposes only, except the first floor unit of 112 Rutledge Avenue so long as the owner thereof complies with the provisions of the Master Deed applicable

thereto and so long as there is no break in the required zoning approval granted by the City of Charleston. No townhome may be subdivided except the subdivisions already made in 112 and 114 Rutledge Avenue and must be used as a single-family residence and for no other purpose, except that the Declarant may use one or more townhomes as offices and/or model townhomes for sales purposes; provided, however, that the Declarant shall be able, so long as it is a Class B member of the Association, to make such subdivisions of the townhomes as it deems necessary and to obtain such zoning changes therefor as are properly approved by municipal officials of the City of Charleston.

(b) Nothing shall be kept and no activity shall be carried on in any building, townhome or the Common Area which will increase the rate of insurance, applicable to residential use, for the property or the contents thereof. Any owner that carries on any permitted activity that results in an increase in the Association's insurance rate shall reimburse the Association for said increase. No owner shall do or keep anything, nor cause or allow anything to be done or kept, in his/her/its townhome or in the Common Area which will result in the cancellation of insurance on any portion of the property, or the contents thereof, or which will be in violation of any law, ordinance or regulation. No waste shall be committed on any portion of the Common Area and facilities.

(c) No immoral, improper, offensive or unlawful use shall be made of the Property, or any part thereof, and all valid laws,

ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(d) Nothing shall be done in or to any townhome in, to or upon any of the Common Area which will impair the structural integrity of any building, townhome or portion of the Common Area or which would impair or alter the exterior of any building or portion thereof, except in the manner provided in this First Amended Declaration.

(e) Except as may be authorized and agreed to by the Declarant or with the express consent of two-thirds (2/3) of each class of members, no industry, business, trade, occupation or profession of any kind, whether commercial or otherwise, shall be conducted, maintained or permitted on any part of the Property, except that the Declarant or its agents may use up to two townhomes for sales or display purposes and except the use of the first floor apartment of 112 Rutledge Avenue so long as the owner thereof complies with the provisions of the Master Deed applicable thereto and so long as there is no break in the required zoning approval granted by the City of Charleston.

(f) No owner shall display, or cause or allow to be displayed to public view any sign, placard, poster, billboard or

identifying name or number upon any townhome, building or any portion of the Common Area, except as may be allowed by the Association pursuant to its By-Laws; provided, however, that any owner, the Declarant and any mortgagee who may become the owner of any unit, or their respective agents, may place "For Sale" or "For Rent" signs on any unsold or unoccupied townhomes and in suitable places on the Common Area, of a size and shape approved by the Board of Directors or its designated committee. In addition, the Declarant may place any signs on the Property it deems appropriate to advertise the development.

(g) No person shall undertake, cause or allow any alteration or construction in or upon any portion of the Common Area, except at the direction of, and with the express written consent of, the Association.

(h) The Common Area shall be used only for the purposes for which it is intended and reasonably suited and which are incidental to the use and occupancy of the townhomes, subject to any rules or regulations that may be adopted by the Association pursuant to its By-Laws.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be or may become a nuisance or annoyance to residents within the Property.

ARTICLE XI

EASEMENTS

Section 1. Walks, Drives, Parking Areas and Utilities. All of the Common Area shall be subject to a perpetual non-exclusive easement or easements in favor of all owners of lots for their use and the use of their immediate families, guests, invitees, tenants or lessees for all proper and normal purposes and for ingress and egress and to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, and other public utilities as shall be established by the Declarant or its predecessors in title and for the use of the owner, their families, guests and tenants; and the Association shall have the power and authority to grant and to establish in, over, upon and across the Common Area conveyed to it such further easements as are requisite for the convenient use and enjoyment of the Property; provided, however, that the Association may establish reasonable rules and regulations pertaining to use and enjoyment of the Common Area as may be provided for herein.

Section 2. Encroachments. All lots and the Common Area shall be subject to easements for the encroachment of initial improvements constructed on adjacent lots by the Declarant to the extent that such initial improvements actually encroach, including, without limitation, such items as overhanging eaves, gutter downspouts, exterior storage rooms and walls. If any encroach-

ment shall occur subsequent to subjecting the Property to this Declaration as a result of settling or shifting of any building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. Every lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) months following conveyance of a lot to an owner for the purpose of correcting any problems that, in the judgment of the Declarant, may arise regarding grading and drainage. The Declarant, upon making entry for such purpose, shall restore the affected lot or lots to as near the original condition as practicable.

Section 3. Structural Support. Every portion of a townhome which contributes to the structural support of the building shall be burdened with an easement of structural support for the benefit of all other townhomes within the building.

Section 4. Emergencies. Every lot and townhome shall be subject to an easement for entry by the Association for the purpose of correcting, repairing or alleviating any emergency condition which arises upon any lot or within any townhome and that endangers any building or portion of the Common Area.

ARTICLE XII

COVENANTS OF OWNER TO KEEP UNITS INSURED AGAINST LOSS, TO REBUILD AND TO KEEP IN GOOD REPAIR

The Declarant and each owner covenants with the Association, on behalf of itself and on behalf of each subsequent owner of a lot within the Property, and each owner of any lot within the properties, by acceptance of a deed therefor, whether or not it shall be so expressed in said deed, or by exercise of any act of ownership, is deemed to covenant as follows:

Section 1. Insurance for Common Area. The Association shall obtain an insurance policy equal to the full replacement value of the Common Area. Said policy shall contain a Replacement Cost Endorsement provided for replacement of the Common Area from insurance loss proceeds.

Section 2. Application of Insurance Proceeds. Any owner shall apply the full amount of any insurance proceeds to the rebuilding or repair of any dwelling unit (subject to the provisions and covenants contained in any mortgage or mortgages creating a lien against any lot).

Section 3. Duty to Repair.

(a) Any owner shall rebuild or repair the dwelling in the event of damage thereto.

(b) Any owner shall keep the dwelling unit in good repair, including repairs required by the Association.

Section 4. Insurance Premiums.

(a) Premiums for the hazard insurance policy referred to in Section 1 of this Article XII shall be a common expense and shall be collectible in the same manner and to the same extent as provided for annual and special assessments herein.

(b) The lien for assessments for insurance premiums shall be subordinate to the lien of any first mortgage in the same manner provided for annual and special assessments.

Section 5. Association as Loss Payee. Each owner shall obtain a policy of hazard insurance which shall provide that insurance proceeds payable on account of loss of, or damage to, the real property shall be adjusted with the carrier(s) by the Harleston Green Townhome Association, Inc., and shall be payable solely to the homeowner's mortgagee, if any, and the Harleston Green Townhome Association, Inc., as Insurance Trustee for the homeowner(s). Such insurance proceeds shall be applied to repair or restoration of the property as hereinafter provided. All such insurance policies shall provide that coverage may not be cancelled by the carrier without first giving the Harleston Green Townhome Association, Inc., and unit mortgagees, if any, thirty (30) days written notice of cancellation. All such policies shall contain, if obtainable, a waiver of the right of subrogation against any unit owner, members of the unit owner's family, the Harleston Green Townhome Association, Inc., its officers, agents and employees, as well as a waiver of the "pro rata" clause. This policy shall constitute the primary insurance

coverage.

Section 6. Liability Insurance. The Association shall also obtain a broad form public liability policy covering the Common Area and all damage or injury caused by the negligence of the Association or any of its agents, officers or employees in an amount of not less than one million dollars for each occurrence and such policies shall contain a wavier of the right of subrogation against members of the Harleston Green Townhome Association, Inc., its officers, agents and employees.

Section 7. Other Insurance. Any owner may, if he/she/it wishes, at his/her/its own expense, carry any and all other insurance he/she/it deems advisable beyond that included in the homeowners' policy required by the Association.

Section 8. Procedure for Repair. In the event of damage or destruction by fire or other casualty to any townhome covered by insurance payable to the Association as Trustee for the homeowners, the Board of Directors shall, with the concurrence of mortgagees, if any, upon receipt of the insurance proceeds; and upon approval of the owner of the damaged townhome, contract to rebuild or repair such damaged or destroyed portions of the damaged townhome to its former condition. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the provisions agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board

of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall obtain bids from at least two reputable contractors approved by the owner of the damaged townhome, and then may negotiate with any such contractor, who may be required to provide a full performance bond for the repair, reconstruction or rebuilding of such building or buildings.

Section 9. Special Assessment for Repair. Also, the Association may levy in any calendar year, a special assessment for the purpose of defraying the cost of construction, reconstruction, repair or replacement of the Common Area or of a townhome to the extent that insurance proceeds are insufficient to pay all costs of said construction, reconstruction, repair or replacement to as good condition as prior to damage or destruction by fire or other casualty covered by said insurance. The cost of said construction, reconstruction, repair or replacement shall constitute a lien upon the townhome to be paid by the owner, unless the dwelling is thereafter acquired by the Association.

Section 10. Approval of Plans. The reconstructed or repaired townhome shall be substantially identical to the destroyed townhome, unless a change shall be approved by the Board, and shall be constructed in conformity with plans submitted by the owner and approved by the Board or its Architectural Committee prior to construction.

Section 11. Retention by Owner. If a townhome is not habitable by reason of damage, and the owner gives notice of his/her/its election to repair or reconstruct the townhome, the obligation of the owner to pay annual assessment installments shall be suspended either for a period of ninety (90) days or until the townhome is restored to a habitable condition, whichever shall first occur, in any event, only during such time as the owner does not make use of his/her/its parking spaces. In the event a townhome is damaged or destroyed, and the owner does not begin repair or reconstruction within thirty (30) days following the damage or destruction, he/she/it shall remove or cause to be removed, at his/her/its expense, all debris from the lot, so that it shall be placed in a neat, clean and safe condition; and if he/she/it fails to do so, the Association may cause the debris to be removed, and the cost of removal shall constitute a lien upon the townhome to be paid by the owner, unless the townhome is thereafter acquired by the Association.

Section 12. Application of Declaration and By-Laws. Any townhome which has been destroyed, in whole or in part, by fire or other casualty and is subsequently restored or reconstructed shall be subject to the provisions of this First Amended Declaration and to the By-Laws of the Association.

Section 13. Fidelity Coverage. The Association shall maintain adequate fidelity coverage against dishonest acts by its officers, directors, trustees and employees, and all others who are responsible for handling funds of the Association. Such

fidelity bonds shall:

(a) Name the Association as an obligee;

(b) Be written in an amount equal to at least 150% of the estimated annual operation expenses of the Association, including reserves; and

(c) Contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of `employee' or similar expression.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this First Amended Declaration. Failure of the Association or of any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions and restrictions of this First Amended Declaration shall run with the land and bind the land for a term of twenty (20) years from the date this First Amended Declaration is recorded, after which time they shall automatically be extended for successive periods of

ten (10) years. This First Amended Declaration may be amended by an instrument signed by the owners of not less than seventy-five percent (75%) of the lots; provided, however, that the Board of Directors may amend this First Amended Declaration, without the consent of owners, to correct any obvious error or inconsistency in drafting, typing or reproduction. All amendments shall be certified as an official act of the Association and shall forthwith be recorded in the Charleston County RMC Office. All amendments shall become effective upon recordation.

Section 4. Lease or Timeshare of Townhome. No townhome shall be leased for transient or hotel purposes, nor may any owner lease less than the entire unit, unless the Declarant, while it is a Class B member of the Association, obtains zoning changes permitting such a lease which change is properly approved by municipal officials of the City of Charleston. Any lease must be in writing and provide that the terms of the lease and the occupancy of the unit shall be subject in all respects to the provisions of this First Amended Declaration of Covenants, Conditions and Restrictions and the By-Laws of the Association, and any failure by any lessee to comply with the terms of such documents shall be a default under the lease. In addition, no owner shall subject or offer his/her/its unit to multiple owners under a timeshare arrangements.

Section 5. Conflicts. In the event of any irreconcilable conflict between this First Amended Declaration and the By-Laws of the Association, the provisions of this First Amended Declara-

tion shall control. In the event of any irreconcilable conflict between this First Amended Declaration or the By-Laws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 6. Subdivision of Lot. No lot may be further subdivided, nor may any additions be made to any lot that will increase the density of the property; provided, however, that the Delcarant shall be able, so long as it is a Class B member of the Association, to make such subdivisions of the townhomes as it deems necessary and to obtain such zoning changes as are properly approved by municipal officials of the City of Charleston.

ARTICLE XIV

RIGHTS OF FIRST MORTGAGEES

The following provisions, in addition to provisions set forth elsewhere in this First Amended Declaration, shall be applicable to the holders of first mortgages upon any individual dwelling subject to this First Amended Declaration and any amendments thereto:

Section 1. This First Amended Declaration and other constituent documents create a Planned Unit Development, hereinafter referred to as "PUD".

Section 2. Any first mortgagee who obtains title to a townhome pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

First Mortgagee

Section 3. Unless at least two-thirds (2/3) of the first mortgagees, provided they request the right and inform the Association of their addresses in writing (based upon one vote for each first mortgage owned), or owners (other than the sponsor, developer or builder) of the individual townhomes have given their prior written approval, the Association shall not be entitled to:

(a) by act or ommission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area owned, directly or indirectly, by the Association for the benefit of the townhomes (the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Area by the Association or the Declarant shall not be deemed a transfer within the meaning of this clause);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a townhome and its owner;

(c) by act or omission change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of the Common Area, party walls or common fences and driveways, or the upkeep of lawns and plantings in the Property;

(d) fail to maintain fire and extended coverage on any insurable portion of the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%)

of the insurable value (based on current replacement costs);

(e) use hazard insurance proceeds for losses to any portion of the Common Area for other than the repair, replacement or reconstruction of the Common Area.

Section 4. First mortgagees of townhomes may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement is hereby reflected in this First Amended Declaration as an agreement in favor of all first mortgagees of townhomes in the Property duly executed by the Association and an original or certified copy of such agreement is possessed by Seller.

Section 5. No provision of the PUD constituent documents gives an owner, or any other party, priority over any rights of the first mortgagee of a townhome pursuant to its mortgage in the case of a distribution to such owner of insurance proceeds or condemnation awards for losses to, or a taking of, any portion of the Common Area.

Section 6. A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance by the individual townhome borrower of any obligation under the PUD constituent documents which is not cured within

sixty (60) days.

Section 7. Any agreement for professional management of the Property, or any other contract providing for services of the developer, sponsor, or builder, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

IN WITNESS WHEREOF, the undersigned have hereunto set their Hands and Seals this 20th day of June, 1988.

WITNESSES:

HARLESTON GREEN, A SOUTH CAROLINA JOINT VENTURE AND PARTNERSHIP

By: Midtown Number One, Inc., Its Co-Venturer/Partner

Rhonda W. Roark

By: Zachary M. Solomon
Zachary M. Solomon
Its President

By: Gifford & Nielson, Its Co-Venturer/Partner

Rhonda W. Roark

By: Kenneth A. Gifford, Its Partner

Rhonda W. Roark

By: Harold B. Nielson, Jr., Its Partner

Record Owner of Lots 2, 6, 139, 75, 133, 134, 135, 136, 137, 138, 9, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 130, 131, 120, 121, 122, 123, 126 and 128.