

RESTRICTIONS AND REQUIREMENTS:

1. A. No tract shall be occupied or used except for residential purposes and small in-home businesses, if such businesses are permitted by York County zoning ordinances. One primary residence is permitted on each tract, and secondary residences are permitted, subject to the terms and conditions as set forth hereinafter. Notwithstanding the limitation of use to residential purposes, small in the home businesses may be allowed if they are in compliance with York County Zoning Codes.

B. A business enterprise by which a property owner engages in short term rentals of a portion of the dwelling house, such as a "bed and breakfast" business or an "air bed and breakfast" are specifically prohibited hereunder.

2. Each primary residential unit shall be constructed using new materials (except that non-structural architectural features and interior construction do not need to be new materials) and shall contain a minimum of 2,200 square feet of heated enclosed living area, (except for tracts 1-7 shall have a minimum of 1,800 square feet of heated enclosed living area), exclusive of patios, porches, garages and basement (finished or unfinished) for a ranch one level home. Any home that is a story and a half or a two story shall have 2,500 square feet of heated enclosed living area. Each two-story residential unit shall contain a minimum of 1,000 square feet of enclosed, heated living area on the first (main entry level) floor. The residential unit must contain an attached garage on the first floor level sufficient in size for at least two standard sized automobiles and side loading with the exception of a court yard entry garage may face the road. The ARC review will determine this application. The garage may be located on the basement level provided the residence contains a minimum of 3,000 square feet of heated, enclosed living area, exclusive of patios, porches, garages and basements (finished or unfinished). Any subsequent garages may have a street facing opening as long as it is behind the residence or attached as a single garage to the primary residence. Once construction of a residential unit has commenced, the exterior thereof, including finished siding material shall be completed within six (6) months thereafter. Prior to completion of a residential unit, the Owner shall install at his or her expense a concrete or asphalt driveway extending from the road right of way to the primary residence. Each tract will have a limit of impervious area to achieve an exemption from additional storm water control devices. If the impervious area is beyond the amount of the exemption, then storm water control devices will be required. These devices are the responsibility of the property owners and shall be maintained so that they will insure the integrity of this measure. This is further described in paragraph 12.

(b) Secondary residences may also be constructed on the property, provided, however, that such secondary residences may have no more than one-half (1/2) of the total square footage of the primary residence. The building and construction standards for secondary residences shall be the same as for primary residences and approved by York County.

3. No building shall be constructed nearer than fifteen (15') feet to any side property line, nor nearer than fifty (50') feet to the front property line, nor nearer than fifty (50') feet to the rear property line. The rear setback is also a fifty (50') foot natural buffer which shall remain intact for the purpose of privacy and water quality. Corner lots shall have a twenty-five (25')

foot set back from the side road. A hardship variance due to use of a septic repair area or drive access can be permitted within the natural buffer area only. Only vegetation that can be bush hogged or trees smaller than 4 inches in diameter at breast height may be removed. The Declarant may grant a variance for setbacks in other areas due to hardships based on septic, topography, lot configuration, or anything that would help the owner and placement of the home or auxiliary building without negatively affecting the value of surrounding properties. Any variance over 25% of the side setback where there is an adjoining property owner other than the Declarant, will require a written consent by that owner. All setbacks must abide by York County standards for the applicable zoning. In the event that any property owner shall violate or disturb the fifty foot (50') natural buffer by clearing the buffer area of trees, the property owner shall be required to restore the buffer area by planting trees having at least a total combined minimum diameter of one hundred inches (100") measured at forty-eight inches (48") above the ground. The minimum diameter of trees planted, measured at the 48" above ground level, shall be two inches (2"). Any trees remaining in the buffer shall count towards the 100" minimum. The Declarant and thereafter the property owner Association for the subdivision shall have the right to enforce this provision.

4. All plumbing fixtures, dishwasher, toilets or sewage disposal systems shall be connected to a septic system constructed by an approved and licensed septic contractor, and approved by the appropriate governmental authority unless public sewage becomes available to the tract. Should public sewage become available to the tract, its use shall be at the discretion of the property owner. All wells shall be at least twenty-five (25) feet or more from any property line.

5. No modular home, mobile home, house trailer, camper (including recreational vehicles), garage, or the basements of a contemplated permanent dwelling shall be occupied as a residence, either on a permanent or temporary basis. Homes constructed at another site cannot be moved onto a tract. The term "modular home" and "mobile home" are defined as follows:

Modular Home: A dwelling unit constructed in accordance with the standards set forth in the South Carolina State Building Code for 1 and 2 family dwellings and composed of components substantially assembled in a manufacturing plant and transported to the building site for final assembly, whether on its own chassis or otherwise. The use of roof trusses or floor trusses on an otherwise conventionally constructed dwelling will not render such dwelling a modular home.

Mobile Home: A dwelling unit that: (i) is not constructed in accordance with the standards as set forth in the South Carolina State Building Code, and (ii) is composed of one or more components, each of which was substantially assembled in a manufacturing plant and designed to be transported to the home site on its own chassis.

6. Construction.

A. Architectural Approval by Declarant

With respect to construction of residential units, walls fences, sheds and flagpoles as set forth hereinafter in subparagraphs B, C, D, and E, any and all such structures must be approved prior to construction under the architectural process to be established by Declarant. Declarant may handle such approval itself, or it may create an Architectural Review Committee (hereinafter "ARC") and delegate such decision making authority to the ARC in its sole discretion. The Declarant and ARC team may consider new types of siding or Architecture and grant a case by case variance as long as the integrity and value associated with the improvement is determined not to negatively affect the value of other property owners. Additional information for such an approval may be required to substantiate the type of material or structure used. Also, additional improvements and plans such as specifications and warranties, value assessment, and additional landscaping may be required as part of the approval process. A fee for Architectural Review may be established by the Declarant not to exceed \$250.00.

B. Residential and Auxiliary Units:

Materials for all buildings, whether residential or auxiliary, shall be properly painted, stained or veneered with wood, brick, stone, stucco or cement board. If wood or cement board material is used, it shall consist of individual boards each of which shall be no wider than twelve (12) inches. Board and batten application may be used. Vinyl can be used only as accents and soffits. No exposed concrete block is permitted. Foundations of the residence, auxiliary residence, and garage shall be a minimum of eighteen (18) inches above finish grade and this shall include the use of slab foundations. All foundations shall have a straight line elevation, and no step down type elevations shall be allowed. The exterior of all foundations shall be veneered with brick or stone. The use of a stucco exterior finish may be used on a stucco home as long as the seams of any concrete block foundation are concealed. The basements of houses that are veneered with wood and fiber cement board must be brick or stone. All chimneys must be made of brick, stone, stucco, or cement board. Roof pitch of all residences and of any attached or detached garage shall be a minimum of 7:12, except that screen porches, sun rooms and similar ancillary rooms may have a minimum roof pitch of 3:12. Bonus rooms above garages may have a minimum roof pitch of 3:12 on the rear elevation only. All roof shingles shall be architectural, 3 ply shingles or metal roof. A variance may be applied for a type of architecture that calls for a different roof pitch, type of shingle, new standard of veneer for elevations, and design that will not negatively affect the value of other homes in the development (such as a flat roof design). All construction of residential and auxiliary units must be approved by the ARC. All yards need to be properly grassed and stabilized. This includes planting of shrubs within the front beds of all homes. Please submit a landscape plan showing the type of grass and shrubs to be used. This plan will include plants with a minimum of three-gallon container size. ARC review required. Color for all buildings shall be approved by the ARC committee. Colors that are not in keeping with the natural surroundings and other homes in the development shall not be permitted.

C. Walls and Fences:

No walls or fences shall be permitted between the front wall of the dwelling and the street it faces. Walls or fences constructed on the remainder of the property shall not be higher than six (6) feet and shall be constructed of wood, metal or aluminum, chain link (coated with colored vinyl) brick, stone or concrete block with stucco finish. No vinyl fencing is permitted. Chain link dog kennels are not allowed unless the chain link is covered with colored vinyl and screened behind a residence. All chain link fencing must be vinyl coated. The color of the chain link fence must be black and located behind the residence. If any chain link, picket, or privacy fence is seen from the road, the fence must have landscaping along that section of fence. All fencing placement shall be reviewed and approved by the ARC committee before installation. Columns and gates are permitted if approved by the Declarant or the ARC.

Privacy Fences. No white privacy fencing is permitted. No vinyl privacy fencing is permitted. All other privacy fencing, which shall be constructed with wood, will be permitted with more natural colors, such as beige, brown, tan. All privacy fencing shall be restricted to building set back requirements for side and rear property lines. Any variance over 25% of the side setback where there is an adjoining property owner will require a written consent by the adjoining property owner and the ARC committee (*no closer than 2' from any property line*). All privacy fencing seen from the road shall have landscaping to break up the fencing elevations along the road. Plantings of shrubs and/or trees that will grow up to five (5) feet in height shall be planted along the fence every fifteen (15) feet, for which placement and plant type shall be approved by the ARC review committee.

D. Garages and Sheds:

Detached auxiliary buildings shall be permitted provided that no building shall be larger than 1,400 square feet in size and each building shall be properly painted, stained or veneered with wood, cement board, brick, stone or stucco. If wood or cement board material is used, it shall consist of individual boards each of which shall be no wider than twelve (12) inches. Board and batten application may be used. No exposed concrete block is permitted. All auxiliary buildings foundations must be a minimum of eighteen (18) inches above the finish grade. Auxiliary buildings must be located behind the residence unless approved by the Declarant or through the ARC review process. Auxiliary buildings shall have a minimum roof pitch of 7:12, and it shall have either a metal roof, architectural shingles or 3 ply shingles. Sheds or small storage buildings (under 200 square feet) may use standard asphalt shingles and have minimum roof pitch of 3:12. Sheds may use wood or cement board painted to match the house if approved by the ARC. Auxiliary buildings larger than 200 square feet will be considered a garage and construction must comply with 6(A) of the Restrictions. The purpose of sheds or small storage buildings shall be for the storage of lawn maintenance equipment, hand tools, and other miscellaneous items. Total auxiliary building square footage shall be no more than 2,000 square feet. Only two auxiliary buildings are permitted per tract, provided however, that two auxiliary buildings will be permitted only if both of the buildings can

be located on the lots in a manner which will not violate the building setback lines, and only if they can be placed without interfering with the septic tank and septic drain lines. Auxiliary buildings can only be built with the primary home or later. No auxiliary building may be occupied before the primary home. All auxiliary buildings must be approved by the Architectural Review Committee.

E. Flags and Flagpoles

One (1) flag up to three feet by five feet (3'x5') in size may be displayed if it is attached to a flagpole mounted to the home. A flagpole mounted to the home may not exceed two inches in diameter and sixty inches in length. Freestanding flagpoles are permitted on the property. Free standing flag poles may not exceed four inches in diameter at the base of the pole, twenty feet in height, and must meet front setback requirements of twenty-five (25') feet from the road right-of-way. Only flags of sport teams, current United States military branches, the current flag of the United States, and seasonal decorative flags may be displayed. Flags which, in the Board's judgement, are intended to incite, antagonize or make political statements or are otherwise deemed to be offensive by the Board shall not be displayed. Approved flags shall be maintained in good condition and shall not be displayed if mildewed, tattered or faded beyond recognition. ARC review is required for the placement of the flagpole.

F. Exterior Lighting

Exterior lighting shall not be directed onto adjacent properties, nor shall it be so bright as to interfere with nocturnal views or create a nuisance. No pole lighting over six (6) feet in height is allowed. Pole lighting shall be used for walkways and must be black in color and decorative. Landscape lighting is permissible as long as it does not affect adjacent properties. All other lighting shall be attached to a building.

7. No animals or livestock of any description shall be permitted, except for the usual household pets and egg laying hens. All animals must not become a nuisance to the neighborhood as a result of the number of animals, the noise created, trespass unto other tracts, odor or any factor deemed to be a nuisance.

8. Any partially completed structures or improvements for which construction activity has ceased for 90 consecutive days, and the debris or remains of any structure damaged by wind, fire or other cause, shall constitute a nuisance and may be removed by the Declarant if the owner of the tract fails to abate such nuisance within 30 days after written notice thereof is given. All costs expended by the Declarant shall be paid by the owner and shall constitute a lien upon the tract until paid in full together with interest thereon at the rate of 8% or the then prime rate, whichever is greater.

9. No inoperable, stripped, partially wrecked, or junk motor vehicle, or part thereof, shall be permitted to be parked or kept on any street or tract.

10. No noxious, offensive or illegal activities shall be conducted or permitted on any tract, nor shall anything be done on any tract that shall be or become an unreasonable annoyance or nuisance to the neighborhood. Neither owners nor their guests shall be permitted to discharge firearms of any type for the purpose of hunting or target practicing on any property covered by these restrictions.

11. No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in any tract and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any tract. Timber cutting is permitted; provided, however no clear cutting of all the timber on a tract shall be permitted. A minimum of 144 inches of trees per acre, measured at five (5) feet above ground level shall be maintained by owner when the property is cleared for building less one acre for all structures. The Declarant has the right to ask the owner to replant the equivalent of the 144 inch average on a tract if excessive clearing occurs. Minimum tree caliper for the replanting will be 3 inches and a tree replanting plan will have to be approved by the Declarant. The provision for timber cutting shall not be permitted in any designated buffer areas.

12. All tracts, except tracts owned by the Declarant, whether improved or unimproved, shall be kept free of dead trees or limbs which are a danger to abutting property or roads. Weeds, trash, debris and rubbish shall be disposed of in such a manner as to prevent the same from becoming unsightly, unsanitary or a hazard to health or safety of other residents. In the event that the Owner, or his contractor or agent, fails to comply with the terms of this provision, the Declarant or other property owners in the subdivision shall have the right (but not the obligation) to enter upon such tract after the Owner has been notified in writing of the violation and no curative action has been taken with 30 days after such notice, or the curative action has started but has not been pursued diligently, in order to effect compliance with this provision. All expenses incurred by the Declarant or other property owners in the subdivision shall be paid by the owner of the tract that is in violation of this provision immediately upon receipt of a statement from the party incurring the expense. The use of trash containers during any construction activity is required on a tract in order to maintain a clean and slightly condition during the construction period. **Each tract owner shall be responsible for his, her or its own storm water management and erosion control measures associated with any land disturbance activity on his, her or its lot. This activity must be approved by York County. There will be a maintenance program that each property owner will have to abide by to insure that storm water control devices will remain functional. Inspections by a third party consultant will be authorized and approved for as long as the Declarant is associated with the development. Each owner will be responsible for the cost associated with the maintenance inspections. The Shepherds Trace Property Owners Association (hereinafter "POA" or "Association") after the Declarant has terminated the relationship with the development, will have the ability to require property owners properly maintain their storm water to insure protection for adjacent property owners and natural buffer areas such as all the creeks within the development. A bury site for stumps, root mass or other natural debris shall be shown on a survey for future owners that can be recorded in York County. No burning is permitted during construction. After a residence is occupied, natural yard debris burning is permitted in accordance with York County and South Carolina regulations and notifications.**

13. Any satellite reception dish must be screened from view from the road and adjoining neighbors. Location of the dish should be behind the residence unless a hardship occurs. In the event of a hardship such that the dish cannot be placed in the rear, then the dish should be properly screened from view. No above ground pools are permitted. Should an Owner install an ARC-approved swimming pool, a fence or other barrier structure shall be installed around the swimming pool to prevent unwanted access. In the event that an owner wants to have solar panels for such owners' house, any such solar panels shall be placed on the rear elevation of the structure away from the side of the neighbors' line of sight.

14. No tractor-trailer rigs (as a unit or the individual components thereof), buses, or large construction equipment or vehicles, tanker trucks or other heavy commercial vehicles shall be parked or stored on any tract, except in the normal course of making deliveries or providing services to the tract. All recreational vehicles must be parked in a garage or screened from view from adjoining properties and the road. Screening must be approved by the Architectural Review Committee. The plan for such screening shall be done by a landscape architect or planner, and it shall be submitted to the Architectural Review Committee for approval. Screening for a recreational vehicle shall be effective and approved only after an onsite visit by the Architectural Review Committee. Effective screening shall substantially hide the recreational vehicles from neighbors and the street view. Any recreational vehicle must be stored offsite or in a garage until the screening is approved. Screening can be accomplished by landscaping, fencing, shelter/canopy and or any combination of those options. The architecture of any such shelter shall be similar to the architecture of the home. Any recreational vehicle, boat, trailer, camper trailer or construction vehicle must be parked so as to be screened, so that it cannot be viewed from nearby tracts or the street. A landscape plan may be required to insure screening. No recreational vehicle can be used as a place of residence. Placement of the recreational vehicles shall be behind the primary residence unless the topography of the property prohibits such placement and will only be approved on a case by case basis. Placement may not exceed the front of the primary residence under any circumstances.

15. No tract may be subdivided by an owner subsequent to the Declarant unless it is to subdivide a tract between two adjacent property owners. Adjustment of property lines between owners may be allowed if permitted by York County.

16. The Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these Restrictions, an easement of twenty (20) feet along the margin of each road right-of-way and of ten (10) feet along each other property line for the purpose of constructing, installing, maintaining, repairing and operating utility lines, poles, mains and facilities, water drainage, and re-surveying.

17. Nothing herein shall be construed as imposing any restrictions upon any other property owned by Declarant. Declarant in the course of developing adjoining property may, but shall not be obligated to, extend these restrictions to such property by means of a supplemental declaration (which may include modifications applicable to such additional property) or impose such other restrictions or no restrictions as Declarant chooses.

18. These restrictions, rights, reservations, limitations, covenants and conditions shall be deemed to be real covenants and shall run with the land and shall be binding upon the owners of all tracts described herein or hereinafter made subject hereto until December 31, 2030, and shall continue for successive periods of ten (10) years thereafter unless amended or terminated as provided below. These restrictions may at any time and from time to time be modified or amended by written instrument signed by the owners of at least two-thirds (2/3) of the tracts subject herein at the time thereof. The Declarant may modify the restrictions as long as the Declarant owns a piece of property associated with any phase of Shepherds Trace.

19. The Declarant is permitted to place temporary marketing signs at the entrance to the Property. The only signs permitted on any other tract shall be: (a) with respect to a tract with an occupied residence, one sign, no larger than four (4) square feet, bearing the name or names of the property owner or property address and which is placed within twenty (20) feet of a driveway entrance; and (b) one small sign such as is used in the ordinary course of effecting residential sales transactions may be placed within twenty (20) feet of a driveway by real estate agents or by owners to advertise a tract for sale.

20. Any and all improvements within the road right of way, including but not limited to driveway pipe installed in ditches, shall meet applicable governmental standards (in no case less than 15" diameter). All improvements, columns, head walls, fences, landscaping, etc. constructed in the road right of way (road right of way typically extends beyond rear slope or roadside ditch) must meet applicable governmental standards and approved by York County and then the ARC. **NO IRRIGATION IN THE ROAD RIGHT OF WAY SHALL BE PERMITTED UNLESS APPROVED BY YORK COUNTY AND THE ARC.** If Declarant notifies owner of any violations, owner will have five (5) days to correct said violation. If owner fails to correct said violation, Declarant shall have the right (but not the obligation) to remove, replace or repair any improvements placed in a road right of way owned by Declarant or governmental authority which does not meet applicable governmental standards and any associated costs or loss of value shall be the responsibility of the owner and shall be a lien upon the owner's tract. York County encroachment permits may be required for any other construction within the road right of way area.

21. If any person shall violate or attempt to violate any of the covenants herein set forth, it shall be lawful for any other person or persons owning or having an interest in any portion of said subdivision to institute and prosecute any proceeding in law or equity against such person or persons to restrain such violation or to recover damages or other compensation for such violations. In the event of such proceedings between any property owners affected by these covenants, the prevailing party as determined by the results of the litigation shall be entitled to an award of attorneys' fees and costs associated with such litigation.

22. Zoning ordinances, restrictions and regulations of York County and its various agencies applicable to the subject property shall be observed. In the event of any conflict between any provisions of these restrictions and such ordinances, restrictions or regulations, the more restrictive shall apply. The invalidation or unenforceability of any provision of these covenants by judgments or other order of any court shall in no way affect any of the other provisions, and such other provisions and covenants shall remain in full force and effect.

Cottage industries or cottage businesses (which are permitted as previously set forth herein in Paragraph 1) are subject to the standards required for such industries or businesses in the applicable county ordinances.

23. The use of four wheelers, motorcycles (including dirt bikes), or any similar off road motorized recreational vehicle in the subdivision is prohibited, except that a property owner may operate such vehicles only on his or her own tract, provided that the use and operation of such vehicles must be done in such a manner that it will not constitute a nuisance to adjacent property owners.

24. Any property adjoining any creeks on the property shall have a fifty foot (50') natural buffer along the banks of the creek as shown on the recorded plat. Any vegetation or trees under four (4) inches in diameter may be removed by cutting. No grading of any type is permitted within the natural buffer. In addition, tracts on the perimeter of the Shepherds Trace development may have a 50 natural perimeter buffer per York County Zoning. These buffers will be shown on the Shepherds Trace plat. Perimeter Buffers are regulated by York County and the respective property owners must abide by those restrictions.

25. Except as otherwise specifically provided, the owner of each tract by acceptance of a deed to property affected hereby shall become a member of Shepherds Trace Property Owners' Association, Inc. (The "Association") upon its formation and each owner of a tract is deemed to covenant and agree to, shall pay to the Association, an annual assessment to pay for the cost of maintaining and repairing the Common Areas, as hereinafter defined, within Shepherds Trace Subdivision. Each owner of a tract subject to this assessment obligation, including owners of tracts in subsequent sections or phases of Shepherds Trace who are subject to these restrictions by amendment or supplemental filings, shall pay the same annual and special assessment amount, irrespective of the size of the tract, the location of such tract or any other factor. The combination of two or more tracts by a single owner through the recording of a revised plat map shall reduce the number of assessments for the combined tracts to the number of tracts shown on the revised plat maps.

The assessment and charges created herein shall constitute a continuing lien upon each tract and, if not paid within thirty (30) days after the due date thereof, shall bear interest at the rate of ten percent (10%) per annum until paid. The lien created herein is specifically subordinated to the lien of any valid first mortgage upon any tract in the subdivision. The property owners shall have the right to promulgate rules and regulations concerning the use of the Common Areas as long as the use is in compliance with the subdivision regulations of York County. Each person acquiring title to a tract binds himself, his heirs, and assigns to be members of the Association should it be formed pursuant to these restrictions and conditions, and further binds and obligates himself, his heirs and assigns to pay the assessment to the Association once it has been levied by the Association. The obligations imposed by this paragraph shall exist whether or not the Association has been formed as of the date these restrictions are recorded or as of the date any tract is sold, if at any time that these restrictions are in effect the Association is formed as a non-profit corporation, the principal purpose of which is to maintain the Common Areas.

The "Common Area" as used in these Restrictions shall include (a) one or more signs identifying Shepherds Trace (b) any landscaping or lighting associated with any Common Area, (c) street lighting, mail box kiosks, parks, trails and sidewalks, garden and gathering area, (d) any other land, improvement, facility or amenity (such as a retention basins and drainage culverts) which Declarant or the Shepherd's Trace Property Owner's Association, Inc. (hereinafter "Association") may construct on property subject to these restrictions and designated by Declarant, or identified on a recorded plat map, as Common Area. In addition, it shall include any garden and/or gathering areas created by Declarant or the Association. It is anticipated that Phase 4 of Shepherds Trace will have such an area for gardening and gathering for a monthly fee, which shall be available for the use of property owners in all phases of the subdivision. The amount of the user fees shall be established by the Declarant or the Association and such fees can be modified from time to time, as determined by Declarant or the Association.

Working Capital Contribution. Every Owner other than the Declarant or Builder shall be responsible for paying an initial working capital contribution in the amount of Four Hundred Dollars (\$400.00). Such contribution shall be due from the purchaser upon the transfer of the title to any portion of the Property to a new Owner. The amount due hereunder shall also constitute a lien upon the property in the same manner as provided in this paragraph for the property owner's assessments, and the lien for the working capital contribution shall be enforceable in the same manner as provided for therein. The amount payable hereunder shall be paid to the Declarant for five years from the date of these Restrictions, and thereafter shall be payable to Shepherds Trace Property Owners Association. This contribution will be used towards repairs to any infrastructure within the development, grassing and grading due to construction activities, cleaning and repairs to retention basins, and overall work that will insure the infrastructure will meet the county inspections for acceptance after the warranty period.

26. Declarant or ten (10) or more of the individual property owners (one of which may be Declarant) subject to these restrictions and conditions may form the Association at any time after Declarant has sold and conveyed 50% or more of the tracts to which these restrictions apply. The Association, once formed, shall have the right to enforce the restrictions and conditions contained in this Declaration and the assessment provided in paragraph 25 above. The Association shall be organized under the laws of the State of South Carolina, and each property owner shall automatically become a member of the Association once it is formed with full voting rights. The owner of each tract shall be entitled to cast one vote (which may not be fractionalized) with respect to any matter brought before the members of the Association for action. Owners of more than one tract shall be entitled to cast one vote for each tract owned; any subsequent combination of lots will not reduce owner's responsibility to continue to pay an assessment for each lot originally purchased prior to the lot combination, except as provided in paragraph 25 above. The officers and directors of the Association shall be property owners (or officers, directors, stockholders or members of a corporate or limited liability company property owner, only one officer/director per household) and all fees set by the Association for maintenance shall be set by the directors of the Association. The initial directors shall be elected by the members at the first meeting or appointed by Declarant.

27. No construction, reconstruction, remodeling or alteration of, or addition to, any building, improvement, device or structure of any kind, including, and in addition to the residential structure and its appurtenant structures, all auxiliary buildings (including detached garages, sheds, pool houses), walls, fences, porches, patios, drives, walks, decks, swimming pools, or landscaping shall be commenced without the prior written approval of the Declarant (or ARC when established) as to the proposed site locations, plans and specifications of such building, improvement, device or structure, Architectural Guidelines for Shepherds Trace have been established to provide property owners, architects and contractors with a set of parameters for the preparation for their drawings and specifications. The enumeration of items above is made for clarification and example and is not intended to be, a limitation to the buildings, improvements, devices or structures controlled by this provision.

There shall be submitted to the Declarant two complete sets of the final plans and specification for any and all proposed improvements, the erection of which is desired, and no structures or improvements of any kind shall be erected, altered, placed or maintained upon or connected to any lot unless and until final plans, elevations and specifications therefore have received such written approval as herein provided. Such plans shall include plot plan showing the location on the lot of the building, wall, fence or other structure proposed to be constructed, altered, placed or maintained, together with specifications for the proposed construction material, color schemes for roofs and exteriors thereof and proposed grading and landscaping.

* The Declarant shall approve or disapprove plans, specifications, and details within thirty (30) days from the receipt thereof. In the event the Declarant fails to approve or disapprove such plans and specifications within thirty (30) days, approval will not be required and the requirements of this Section will be deemed to have been fulfilled. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon shall be returned to the persons submitting them and the other copy thereof shall be retained by the Declarant for its permanent files. **THE DECLARANT SHALL HAVE THE RIGHT TO CHARGE A REASONABLE FEE IN AN AMOUNT NOT TO EXCEED \$250.00 FOR REVIEWING EACH APPLICATION FOR APPROVAL OF PLANS AND SPECIFICATIONS. DECLARANT RESERVES THE RIGHT TO INCREASE THE REVIEW FEE IN ORDER TO PAY A REASONABLE FEE FOR PROFESSIONAL ASSISTANCE IN REVIEWING AND APPROVING THE PLANS IF THE PLANS SUBMITTED HAVE REQUESTED A VARIANCE TO THE RESTRICTIONS. A FEE OF \$50.00 SHALL BE CHARGED FOR THE REVIEW AND APPROVAL OF PLANS FOR FENCING, POOLS, LANDSCAPING AND ANY OTHER STRUCTURE WHICH IS NOT A RESIDENCE.**

Initially, the Declarant shall serve as the sole member of the ARC. In instances where variances are to be considered, Declarant may appoint two additional members from the builders in the development to serve on a case by case basis. At such time as the Declarant elects to transfer to the Association the architectural review responsibilities, the Association's Board of Directors shall appoint a standing committee of the Board, to be called the ARC, which shall initially consist of three (3) members to be appointed from among the Association's members. Upon its appointment, the ARC shall assume from the Declarant all authority to review and approve plans, specifications, and details as otherwise provided herein. The initial ARC shall

serve for a term of two (2) years, after which the committeemen shall be appointed by the Association's Board of Directors, pursuant to its Bylaws, and shall serve for a term of one (1) year; provided further that the number of committeemen may be increased from three (3) to five (5) by a resolution of the Association's Board of Directors. The Declarant and the Association's Board of Directors have the ability to hire a third party review person to be the ARC. The fee shall not exceed \$250.00.

After its appointment, the ARC shall establish written architectural and aesthetic criteria to be used in reviewing all plans, specifications, and details submitted for approval, and copies of such criteria may be obtained upon request from the ARC. Such written criteria shall be subject to revision or amendment by the ARC at all times; provided, however, that no amendment to or change in such criteria shall become effective until committed to writing and approved by the ARC in the same manner as the previously controlling criteria; and that no amendment or change in such criteria shall have retroactive application.

The purpose of the architectural review provisions set forth herein is to protect the value of all real property subject to this Declaration and to promote the interests, welfare, and rights of all development property owners. Decisions of the Declarant or ARC approving or disapproving of plans and specifications shall be based on criteria it establishes for the Development, consistently applied, but such decisions shall be final and not subject to review or appeal.

The builder for each lot must have an active South Carolina builders license and must be in good standing with York County and the State of South Carolina. If a builder has a history known to the Declarant of past liens or violations of restrictive covenants, *such as time delays on the building sites and site conditions not kept in proper maintenance*, then the ARC review may deny the approval of that builder within the development.

28. Utilities and fees and requirements. York Electric will bury underground power to the home, but will charge a per foot fee if the connection is greater than 250 feet. Also, the Declarant and York County Natural Gas Authority have entered into a Developer Agreement for Natural Gas Distribution Service (hereinafter "Developer Agreement") which requires that the property owners use gas for their primary heating supply and water heater supply. The obligations under the Developer Agreement constitute a lien upon each lot. If a property owner does not want to use gas for these appliances, the property owner must pay to York County Natural Gas Authority a release fee of one thousand eight hundred seventy and 48/100 dollars (\$1,870.48) to be released from this commitment and the lien. The property owner must show proof of the installation of the heating supply unit and water heater. This documentation shall be forwarded to York County Natural Gas Authority for satisfaction of this provision. By acquiring an undeveloped lot, each lot purchaser acknowledges he or she is aware of this obligation and his or her liability for the release fee in the event that the lot owner does not comply with this obligation.

29. Phase 4 Sod Requirement—Applicable to Tracts 10-42 ONLY. All established lawn areas extending from the rear corner of the home to the front lawn area shall be sodded. This area does not have to be more than thirty (30') feet wide along the side of the homes. Front

