DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
RIVER REACH AT REMLEY'S POINT

AND

BY-LAWS OF RIVER REACH AT REMLEY'S POINT
COMMUNITY ASSOCIATION, INC.

Prepared By:
W. Foster Gaillard
Buist, Moore, Smythe & McGee, P.A.
5 Exchange Street
Charleston, SC 29401
(843) 722-3400
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
RIVER REACH AT REMLEY’S POINT

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
(“Declaration”) is made this 11th day of June, 2002, by Remley Associates, LLC, a South Carolina
limited liability company (the “Declarant”).

RECITALS

Declarant is the owner of the real property described in Exhibit "A", which is attached and
incorporated by reference. This Declaration imposes upon the Property (as defined in Article I
below) mutually beneficial restrictions under a general plan of improvement for the benefit of
the Owners of each portion of the Property and establishes a flexible and reasonable procedure for the
overall development, administration, maintenance and preservation of the Property. In furtherance
of such plan, this Declaration provides for the creation of the River Reach at Remley's Point
Community Association, Inc. to own, operate and maintain Common Areas, as defined below, and
to administer and enforce the provisions of this Declaration, the By-Laws, and the rules and
regulations promulgated pursuant to this Declaration. The Declarant has retained and reserved the
right, privilege and option to submit to the provisions of this Declaration at a later time and from
time to time as part of the Subdivision, all or any portion of the real property described in Exhibit
"B" attached hereto and incorporated herein by reference, as more particularly set forth in Article
II of this Declaration.

This document does not and is not intended to create a condominium within the meaning
of the South Carolina Horizontal Property Act, South Carolina Code Annotated, Section 27-31-10,
et seq.

NOW, THEREFORE, the Declarant hereby declares that all of the Property described in
Exhibit "A" and any Additional Property described in Exhibit "B" or so much of it as Declarant may,
in its sole discretion, see fit to develop or dedicate, as, by subsequent amendment hereto, may be
subjected to this Declaration, shall be held, mortgaged, transferred, sold, conveyed, leased, occupied
and used subordinate and subject to the following easements, restrictions, covenants, charges, liens
and conditions which are hereby imposed for the purpose of protecting the value and desirability of
these lands and which restrictions, easements, charges, liens, conditions, and covenants shall touch
and concern and run with title to the real property subjected to this Declaration and which shall be
binding on all parties having any right, title or interest in these described properties or any portion
of them. This instrument also binds the respective heirs, devisees, fiduciary representatives,
successors, successors in title and/or assigns, and shall inure to the benefit of anyone or anything
who/which purchases or takes any interest in real property within the lands subject to this
Declaration.
ARTICLE I
DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below, unless the context shall prohibit or require otherwise.

1.1 Additional Property. The lands and property, together with any improvements now or hereafter constructed thereon, described in Exhibit "B." Additional Property may be subjected to the provisions of this Declaration in accordance with the provisions of Article II hereof.

1.2 Area of Common Responsibility. The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contracts, or agreements.

1.3 Articles of Incorporation or Articles. The Amended and Restated Articles of Incorporation of River Reach at Remley's Point Community Association, Inc., as filed with the Secretary of State of the State of South Carolina, a copy of which is attached as Exhibit "D".

1.4 Association. River Reach at Remley's Point Community Association, Inc., a South Carolina nonprofit, mutual benefit corporation, its successors or assigns.

1.5 Board of Directors or Board. The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under South Carolina corporate law.

1.6 Builder. Any Person which purchases one or more Lots for the purpose of constructing improvements for later sale to consumers, and/or resale in the ordinary course of such Person's business.

1.7 By-Laws. The By-Laws of River Reach at Remley's Point Community Association, Inc., attached as Exhibit "C," as they may be amended from time to time.

1.8 Class "B" Control Period. The period of time set forth in the By-Laws during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors as provided in the By-Laws, and during which the Class "B" Member has certain other rights as set forth in this Declaration or the By-Laws.

1.9 Common Area. All real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The term also shall include the Exclusive Common Area, as defined below.
1.10 **Common Expenses.** The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Articles of Incorporation. Common Expenses shall not include any expenses incurred during the Class "B" Control Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Voting Members representing a majority of the total Class "A" vote of the Association.

1.11 **Community-Wide Standard.** The standard of conduct, maintenance, or other activity generally prevailing throughout the Property. Such standard may be more specifically determined by the Board of Directors and the Architectural Review Board from time to time.

1.12 **Declarant.** Remley Associates, LLC, a South Carolina limited liability company, or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibits "A" or "B" for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

1.13 **Design Guidelines or Residential Planning Guide.** The design and construction guidelines and application and review procedures applicable to the Property promulgated and administered pursuant to Article X.

1.14 **Dock Master Plan.** The Remley's Point Dock Master Plan as revised on January 22, 2002, approved by OCRM on January 24, 2002, as the same may be amended or revised from time to time. Any such amendment or revision may only be made pursuant to applicable OCRM regulations and policy, and subject to consultation with other resource agencies as appropriate. The Dock Master Plan includes the Dock Corridor Plan for each of the Private Docks and Joint Docks. The Dock Corridors for Lots 1-17 are shown and depicted on the Subdivision Plat.

1.15 **Exclusive Common Area.** Area intended for the exclusive use or primary benefit of one or more, but less than all, Lots, as more particularly described in Section 3.2.

1.16 **General Assessment or Assessment.** Assessments levied on all Lots subject to assessment under Article IX to fund Common Expenses for the general benefit of all Lots, as more particularly described herein.

1.17 **Governing Documents.** This Declaration, the By-Laws, the Articles of Incorporation, any Supplemental Declaration, and the Design Guidelines, or any of the above, as each may be amended from time to time.

1.18 **Living Space.** Living Space shall mean and refer to enclosed and covered areas within a dwelling on a Lot, exclusive of garages, rooms over garages, unclosed porches, porte cocheres, carports, breezeways, terraces, balconies, decks, patios, courtyards, greenhouses, atriums, bulk storage areas, attics and basements.
1.19  **Lot.** A portion of the Property, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as a detached residence for a single family or such other use as may be expressly permitted by this Declaration. The term shall refer to the land, if any, which is part of the Lot as well as any improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, homes, single-family detached houses on separately platted lots, as well as vacant land intended for development as such, but shall not include any Common Area, or property dedicated to the public.

1.20  **Member.** A Person subject to membership in the Association pursuant to Article IV.

1.21  **Mortgage.** A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot.

1.22  **Mortgagor.** A beneficiary or holder of a Mortgage.

1.23  **Mortgagee.** Any Person who gives a Mortgage.


1.25  **Owner.** One or more Persons who hold the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

1.26  **Person.** A natural person, a corporation, a limited liability company, a partnership, a trustee, or any other legal entity or combination thereof.

1.27  **Property.** The real property described on Exhibit "A", together with such Additional Property as is subjected to this Declaration in accordance with Article II.

1.28  **Public Records.** The Register of Mesne Conveyance Office for Charleston County, South Carolina.

1.29  **Special Assessment.** Assessments levied in accordance with Section 9.4.

1.30  **Specific Assessment.** Assessments levied in accordance with Section 9.5.

1.31  **Subdivision.** Subdivision, with an initial capital letter, shall mean and refer to those Lots or parcels of land described in Exhibit "A", together with all improvements presently thereon and subsequently constructed thereon. Upon the submission to the provisions of this Declaration of the tracts or parcels of land described in Exhibit "B", or any portion thereof, Subdivision shall mean and refer to the real property described in Exhibit "A" and the real property described in
1.32 **Subdivision Plat.** That certain plat entitled “A Final Subdivision Plat of River Reach Owned by Remley Associates, LLC located in the Town of Mt. Pleasant, Charleston County, South Carolina” dated December 6, 2001, last revised March 19, 2002, prepared by Southeastern Surveying, Inc. and recorded in the Public Records in Plat Book EF, at Pages 574 and 575.

1.33 **Supplemental Declaration.** An instrument filed in the Public Records pursuant to Article II which subjects Additional Property to this Declaration, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

1.34 **Use Restrictions and Rules.** Those use restrictions and rules affecting the Property as set forth in Article XI, which may be amended, modified and/or repealed as set forth in this Declaration.

1.35 **Voting Member.** Each Owner entitled to cast a Class “A” vote for each Lot as determined in accordance with Section 4.3(c) hereof.

ARTICLE II
PLAN OF DEVELOPMENT; ANNEXATION AND WITHDRAWAL OF PROPERTY

2.1 **Plan of Development of the Subdivision.** The Subdivision initially shall consist of the Property described on Exhibit "A" attached hereto, including twenty-three (23) single family Lots as more particularly described in Exhibit “A”. The Subdivision shall also include the Common Areas and certain improvements to the Common Areas, including utility systems, drainage systems and other improvements serving the Lots, to the extent the same are, from time to time, installed and existing and submitted to the provisions hereof. The dimensions of the Property constituting the Subdivision are shown on the Subdivision Plat. The Property within the Subdivision is shown on the Subdivision Plat. The Property within the Subdivision shall be subject to the covenants, easements and restrictions set forth in this Declaration. Declarant shall have the right, but not the obligation, for so long as: (i) Declarant owns any portion of the Common Areas; or (ii) owns any Lot primarily for the purpose of sale of the Lot; or (iii) Declarant has the option to add the Additional Property or any portion thereof to the Subdivision, or (iv) the Class “B” Control Period has not expired, to make improvements and changes to all Common Areas and to any or all Lots or other property owned by Declarant, including but not necessarily limited to the following: (a) installation and maintenance of any improvements in and to the Common Areas; (b) changes in the location of the boundaries of the Common Areas, and any Lots owned by Declarant or of the dedicated or undedicated Common Areas; (c) installation and maintenance of any water, sewer and other utility systems and facilities, to include, but not limited to, T.V. cable and its various attendant services and telephone service to include teletype or computer, internet, telex, news service, or computer, or any such like instrument used in the transmittal, reception, or retrieval of images, messages or information; and (d) installation of security and/or refuse facilities.
2.2 **Plan of Development of Additional Property.** Declarant hereby reserves the unilateral right and option, to be exercised in its sole discretion, to submit at any time, or from time to time, the Additional Property or any portion or portions thereof to the provisions of this Declaration and thereby to cause the Additional Property or any portion or portions thereof to become part of the Property and part of the plan and operation of this Declaration. Declarant reserves the right to plan, design, develop, construct, maintain and manage the Common Areas, the Additional Property, and any unsold Lot as Declarant deems necessary or convenient for its purposes, except as otherwise expressly stated in this Declaration, including without limitation the right to expand the number, size and density of the unsold Lots, the Common Areas, and the Additional Property. This option may be exercised by Declarant in accordance with the following rights, conditions and limitations, which are the only conditions and limitations on such option to add all or any portion of the Additional Property to the Subdivision.

This option to add Additional Property/phase(s) may be exercised from time to time during a period of ten (10) years from the date of recordation of this Declaration; provided, however, that Declarant reserves the right to terminate such option at any time prior to the expiration of such ten year period by executing and filing an agreement evidencing such termination in the Public Records, and, except for such termination by Declarant, no other circumstances will terminate such option prior to the expiration of such ten (10) year period.

The additions authorized under this Section 2.2 shall be made by filing in the Public Records a Supplemental Declaration or Amendment to this Declaration with respect to the Additional Properties which shall expressly extend the operation and effect of the covenants and restrictions of this Declaration to such Additional Properties. The Supplemental Declaration or Amendment may contain such additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Declarant, to reflect the different character, if any, of the Additional Property. Such annexation of the Additional Property, or any portion thereof, shall not require the consent of the Class “A” Members, but shall require the consent of the owners of such Additional Property, if other than the Declarant. Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the Additional Property described in Exhibit “B” in any manner whatsoever.

The legal description of the Additional Property is set forth on Exhibit "B". Portions of the Additional Property may be added to the Subdivision at different times, and there are no limitations fixing the boundaries of those portions or regulating the order, sequence or location in which any of such portions may be added to the Subdivision. The exercise of the option to submit a portion of the Additional Property to the Declaration shall not bar the further exercise of this option as to other portions or the balance of the Additional Property.

If the Additional Property or any portion thereof is added to the Subdivision, any improvements developed therein and any dwellings constructed thereon will be subject to the standards and restrictions set forth herein, including all assessments set forth herein.
If the Additional Property or any portion thereof is added to the Subdivision, Declarant reserves the right to designate and restrict the boundaries of the Lots and Common Areas, if any, to be added to the Subdivision in connection therewith.

Should the option to add the Additional Property or any portion thereof not be exercised within the term specified herein or be terminated by Declarant, such option shall in all respects expire and be of no further force and effect. DECLARANT SHALL NOT BE OBLIGATED TO IMPOSE ON THE ADDITIONAL PROPERTY OR ANY PORTION OF IT ANY COVENANTS, CONDITIONS, OR RESTRICTIONS SIMILAR TO THOSE CONTAINED HEREIN, AND ANY ADDITIONAL PROPERTY NOT SUBMITTED TO THIS DECLARATION WILL BE FREE OF ANY COVENANT OR CONDITIONS WHATSOEVER UNLESS OTHERWISE AFFIRMATIVELY IMPOSED.

The option reserved by Declarant to cause all or any portion of the Additional Property to become part of the Subdivision shall in no way be construed to impose upon Declarant any obligation to add all or any portion of the Additional Property to the Subdivision or to construct thereon any improvements of any nature whatsoever or to restrict or limit its use in any manner.

The option reserved under this Section 2.2 may be exercised by Declarant only by the execution of an amendment or Supplemental Declaration to this Declaration which shall be filed in the Public Records, together with a revision of or an addition to the Subdivision Plat showing the Additional Property or such portion or portions thereof as are being added to the Subdivision by such amendment, as well as the Lots, Common Areas, or other types of property located within the Subdivision. Any such Supplemental Declaration shall be signed by the Declarant and by the owner of the annexed property, if different from the Declarant.

SUBSEQUENT TO INCLUSION AND/OR RESTRICTION AND IN ITS SOLE DISCRETION, DECLARANT MAY CONVEY TO THE ASSOCIATION THE COMMON AREAS DESIGNATED BY DECLARANT OR ANY OTHER PROPERTY OWNED BY THE DECLARANT CONTAINED WITHIN THE PROPERTY AS DESCRIBED IN EXHIBIT "A" OR EXHIBIT "B" OR SUCH PORTION OR PORTIONS OF ANY, EITHER, OR ALL OF THEM, ANY SUCH CONVEYANCE TO BE SUBJECT TO THE LIEN OF TAXES NOT YET DUE AND PAYABLE, ALL EASEMENTS AND RESTRICTIONS OF RECORD, UTILITY EASEMENTS SERVING OR OTHERWISE ENCUMBERING THE PROPERTY AND/OR THE ADDITIONAL PROPERTY, AND ANY EXCEPTIONS WHICH WOULD BE DISCLOSED BY AN ACCURATE SURVEY OR PHYSICAL INSPECTION OF SUCH PARCEL(S).

Any such amendment shall expressly submit the Additional Property or such portion of it to all the provisions of this Declaration, and upon the exercise, if any, of such option or options, the provisions of this Declaration shall then be construed as embracing the real property described in Exhibit "A" and the Additional Property or such portion or portions thereof so submitted to the terms hereof, together with all improvements thereon. If the Additional Property or any portion or portions of it is added to the Subdivision, then from and after the addition to the Subdivision of the Additional
Property or such portion or portions by such amendment to this Declaration, the number of votes in
the Association shall be modified to include the Lots to be located on the Additional Property or such
portion or portions of it as are added, so that there shall continue to be one vote in the Association
per Lot in the Subdivision, and the total number of votes in the Association shall be increased by the
number of Lots added.

2.3 Annexation With Approval of Membership. The Association may annex any real
property to the provisions of this Declaration with the consent of the owner of such property, the
affirmative vote of a majority of the Class "A" votes of the Association represented at a meeting duly
called for such purpose, and the consent of the Declarant so long as Declarant owns property subject
to this Declaration or which may become subject to this Declaration in accordance with Section 2.2.
Such annexation shall be accomplished by filing a Supplemental Declaration describing the property
being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the
President and the Secretary of the Association, and by the owner of the annexed property, and by the
Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing
unless otherwise provided therein.

2.4 Withdrawal of Property. The Declarant reserves the right to amend this Declaration
so long as it has a right to annex Additional Property pursuant to Section 2.2, for the purpose of
removing any portion of the Property from the coverage of this Declaration, provided such
withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the
Property. Such amendment shall not require the consent of any Person other than the Owner of the
property to be withdrawn, if not the Declarant. If the property is Common Area which has been
deeded and conveyed to the Association, the Association shall consent to such withdrawal.

2.5 Additional Covenants and Easements. The Declarant may unilaterally subject any
portion of the Property to additional covenants and easements, including covenants obligating the
Association to maintain and insure such property on behalf of the Owners and obligating such
Owners to pay the costs incurred by the Association. Such additional covenants and easements shall
be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the
subject property, and shall require the written consent of the owner(s) of such property, if other than
the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or
otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect
the different character and intended use of such property.

2.6 Interest Subject to Plan of Development. Every purchaser of a Lot or any portion of
the Subdivision shall purchase such Lot or other Property and every Mortgagor and lienholder
holding an interest therein shall take title, or hold such security interest with respect thereto, with
notice of Declarant's plan of development as set forth herein, and Declarant shall have and does
hereby specifically reserve the right to add the Additional Property or any portion or portions thereof
to the Subdivision as hereinabove provided. Any provision of this Declaration to the contrary
notwithstanding, the provisions of the foregoing plan of development set forth in this Article may
not be abrogated, modified, rescinded, supplemented or amended in whole or in part without the prior written consent of Declarant.

ARTICLE III
PROPERTY RIGHTS

3.1 Common Area. Every Owner shall have a nonexclusive right and easement of use, access, and enjoyment in and to the dedicated Common Area, subject to:

(a) This Declaration and any other applicable easements, covenants and restrictions;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The right of the Declarant, during the Class “B” Control Period, or the Board to adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(d) The right of the Board to suspend the right of an Owner to use the Common Area (i) for any period during which any charge against such Owner's Lot remains delinquent, and (ii) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, any applicable Supplemental Declaration, the By-Laws, or rules of the Association after notice and a hearing pursuant to the By-Laws;

(e) The right of the Declarant, during the Class “B” Control Period, or the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(f) The right of the Board to impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;

(g) The right of the Board to permit temporary or perpetual use of any or all portions of the Common Area by persons other than Owners, their families, lessees and guests, either with or without payment of use fees established by the Declarant or the Board;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money
borrowed or debts incurred, subject to the approval requirements set forth in this Declaration.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot.

3.2 **Exclusive Common Area.** Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and occupants of specified Lots. By way of illustration and not limitation, Exclusive Common Areas may include Knee Walls and Privacy Walls (as hereinafter defined), entry features, recreational facilities, lakes and other portions of the Common Area. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Area shall be assessed against the Owners of Lots to which the Exclusive Common Areas are assigned as a Specific Assessment.

Initially, any Exclusive Common Area shall be designated as such, and the exclusive use thereof shall be assigned, in the deed by which the Declarant conveys the Common Area to the Association or on the subdivision plat relating to such Common Area; provided, however, any such assignment shall not preclude the Declarant from later assigning use of the same Exclusive Common Area to additional Lots, so long as the Declarant has a right to subject Additional Property to this Declaration pursuant to Article II. Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area of particular Lots and Exclusive Common Area may be reassigned upon approval of the Board and the vote of Owners representing a majority of the total Class "A" votes in the Association. As long as the Class "B" Control Period has not expired, any such assignment or reassignment shall also require the Declarant's written consent.

The Association may, upon approval of a majority of the Owners to which the Exclusive Common Area is assigned, permit Owners of Lots in other portions of the Subdivision to use all or a portion of such Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the Specific Assessments attributable to such Exclusive Common Area.

3.3 **No Partition.** Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

3.4 **Condemnation.** If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least 67% of the total Class "A" votes in the Association and of the Declarant, as long as the Class "B" Control Period has not expired or terminated) by any authority having the power
of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

(a) If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking the Declarant, so long as the Class “B” Control Period has not expired or terminated, and Voting Members representing at least 67% of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Article VII regarding funds for the repair of damage or destruction shall apply.

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

3.5 **Access.** All Owners, by accepting title to Lots conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress and egress to and from such Lot and acknowledge and agree that such access, ingress and egress shall be limited to roads, sidewalks, walkways, and trails located within the Subdivision from time to time, provided that pedestrian and vehicular access to and from all Lots shall be provided at all times. Notwithstanding anything contained herein, the following Lots, and only the following Lots, shall be permitted to have direct access, ingress and egress to and from Third Avenue: Lot 1, Lot 16 and Lot 17.

3.6 **Changes in Boundaries; Additions to Common Areas.** Declarant expressly reserves for itself and its successors and assigns the right to make minor changes and realignments in the boundaries of the Common Areas and any Lots owned by Declarant, including the minor realignment of boundaries between adjacent Lots and Common Areas owned by Declarant. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time, and from time to time, any portion of the Additional Property, such real property to be conveyed to the Association as an addition to Common Areas and subject to the other provisions set forth in this Declaration.

3.7 **Easements over Common Area.** Notwithstanding anything to the contrary in this Declaration, the Declarant, during the Class “B” Control Period, and the Association, acting through the Board, may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area, without the approval of the membership; provided, however, that any such grant of easement or other action taken by the Board is subject to the Declarant’s approval during the Class “B” Control Period.
ARTICLE IV
THE ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS

4.1 **Function of Association.** The Association shall be the entity responsible for management, maintenance, operation, administration and control of the Common Area and any other Area of Common Responsibility. The Association shall be the primary entity responsible for enforcement and administration of this Declaration and such reasonable rules regulating use of the Property as the Board or the membership may adopt pursuant to Article XI. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of South Carolina. The Association shall be authorized but not required to provide the following services:

(a) Clean-up, maintenance, landscaping of all open spaces, roads, rights-of-way, lagoons, lakes, Common Area and any other Area of Common Responsibility within the Subdivision or in a reasonable proximity to the Subdivision such that their deterioration would affect the appearance of the Subdivision as a whole.

(b) Insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the State and local governments.

(c) Construction, maintenance, landscaping and reconstruction of amenities and other improvements within the Common Areas and any other Area of Common Responsibility.

(d) To set up and operate the Architectural Review Board as provided herein.

(e) To construct improvements on open spaces and Common Areas.

(f) To obtain administrative services including, but not limited to, legal, accounting, financial and communication services informing members of activities, notice of meetings, referendums, etc., incident to the above listed services.

(g) To obtain liability and hazard insurance covering improvements and activities on the open spaces and the Common Areas, independently or in collaboration with the Declarant.

(h) To obtain directors’ and officers’ liability insurance for the Association and its duly elected Directors and officers to the extent the same is available at a reasonable cost.

(i) Landscaping of roads, sidewalks and walking paths within the Subdivision and any Common Areas or open spaces located therein.
(j) To take any and all actions necessary to enforce all covenants and restrictions affecting the Subdivision and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Subdivision.

(k) To supplement the maintenance and improvements of any adjacent public rights-of-way, including, without limitation, any road surfaces, sidewalks, landscaping, signage, lighting or other improvements located within the adjacent public rights-of-way.

(l) To create and fund from assessments (whether General, Special or otherwise) a reserve account.

(m) To provide any and all services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligation and business under the terms of this Declaration.

4.2 **Membership.** Every Owner shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all Co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 4.3(c) and in the By-Laws, and all such Co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

4.3 **Voting.** The Association shall have two classes of membership, Class "A" and Class "B."

(a) **Class "A."** Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Lot in which they hold the interest required for membership under Section 4.2; provided, there shall be only one vote per Lot and no vote shall be exercised for any property which is exempt from assessment under Section 9.9. All Class "A" votes shall be cast as provided in Section 4.3(c) below.

(b) **Class "B."** The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration or the By-Laws, are specified in the relevant sections of this Declaration, the By-Laws and the Articles. The Class "B" Member may appoint the members of the Board of Directors during the Class "B" Control Period, as specified in the By-Laws.

The Class "B" membership shall terminate upon the earlier of:
(i) Two (2) years after expiration of the Class "B" Control Period pursuant to Section 3.3 of the By-Laws; or

(ii) When, in its discretion, the Declarant so determines and declares in a recorded instrument.

Upon termination of the Class "B" membership, the Declarant shall continue to be a Class "A" Member entitled to Class "A" votes for each Lot which it owns. The Declarant may, by Supplemental Declaration, create additional classes of membership for the owners of Lots within any additional property made subject to this Declaration pursuant to Article II, with such rights, privileges and obligations as maybe specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

(c) Exercise of Voting Rights. In any situation where a Member is entitled personally to exercise the vote for his Lot and there is more than one Owner of such Lot, the vote for such Lot shall be exercised as the Co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken (the "Voting Member"). Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it. The vote for each Lot owned by a Class "A" Member shall be exercised by such Voting Member.

ARTICLE V
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

5.1 Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall manage and control the Common Area and all improvements thereon (including, without limitation, furnishings, equipment, and other personal property of the Association used in connection with the Common Areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to this Declaration and the By-Laws and consistent with the Community-Wide Standard. The Board is specifically authorized, but not obligated, to retain or employ professional management to assist in carrying out the Association's responsibilities under this Declaration, the cost of which shall be a Common Expense. Nothing contained in this Declaration, in the Subdivision Plat, or on any general plan or site plan of the Subdivision shall be deemed to confer Common Area status on any such Property described in Exhibit "A" or Exhibit "B", nor shall the Association or any Owner be entitled to any right, title or interest in any such Property unless and until such Property shall have been formally included as a part of the Common Area by the Declarant, deeded to the Association and dedicated as Common Area by the Declarant. In addition, any such areas which are intended to be devoted to the common use and enjoyment of the Members of the Association as defined herein shall not be dedicated for use by the general public and the general public shall have no easement or use and enjoyment therein, unless set forth in the Deed and dedicatory language contained in such Deed as and when such Common Areas are conveyed to the Association, or unless otherwise authorized in accordance with the provisions of this
Declaration. It is anticipated that the Declarant will, prior to the expiration of the Class “B” Control Period, convey the property shown and depicted on the Subdivision Plat as “Pond (HOA)” containing 0.960 acres, more or less, and the “(HOA) Open Space” containing 0.601 acres, more or less (the “Amenity Parcel”), all as shown and depicted on the Subdivision Plat, to the Association as Common Area. In addition to any conditions and restrictions which may be imposed on the Amenity Parcel in any Deed conveying such Amenity Parcel to the Association, the Amenity Parcel shall be subject to the restriction that no vertical improvements may be constructed on that portion of the Amenity Parcel designated as “Non-Buildable Area” on the Subdivision Plat other than access ways or boardwalks to any community dock which may be built as an appurtenance thereto. Nothing contained herein shall preclude the construction or placement of any landscaping on such Non-Buildable Area.

5.2 Amenity Parcel. Notwithstanding anything contained herein to the contrary, the Declarant in Declarant’s sole judgment and discretion, at any time during the Class “B” Control Period, shall have the right, power and authority to grant to non-Owners and non-Members the non-exclusive right, easement and privilege to use any community dock which may hereafter be constructed as an appurtenance to the Amenity Parcel. Such non-exclusive right, easement and privilege may be granted to such non-Owners and non-Members Lot only by the Declarant by way of a Supplemental Declaration or Amendment to this Declaration. Any such right or privilege, if granted by Declarant, shall be subject to the following terms and conditions: (i) any such right and privilege may be temporary or permanent, as determined in Declarant’s sole judgment and discretion, and (ii) any such right and privilege shall be subject to all rules and regulations imposed by Declarant and/or the Association for the Owners of Lots within the Subdivision, except that the non-Owners or non-Members shall not be required to pay any assessments (General, Special or otherwise) to the Association. Nothing contained herein shall be deemed to confer any rights, easements or privileges in favor of such non-Owners or non-Members unless and until such rights, easements and privileges have been granted by Declarant pursuant to a Supplemental Declaration or Amendment to this Declaration as provided herein.

5.3 Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property, subject to the provisions of this Declaration. The Declarant and its designees may convey to the Association improved or unimproved real estate, or interests in real estate, located within the Property described in Exhibits "A" or "B", personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Property originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.
5.4 Enforcement. The Association may impose sanctions for violations of this Declaration, any applicable Supplemental Declaration, the By-Laws, or Association rules in accordance with procedures set forth in this Declaration or the By-Laws, including reasonable monetary fines and suspension of the right to vote and to use any recreational facilities within the Common Area. In addition, in accordance with the By-Laws, the Association may exercise self-help to cure violations and may suspend any services it provides to the Lot of any Owner who is more than 30 days delinquent in paying any assessment or other charge due to the Association. All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of this Declaration or Association rules, if the Association prevails it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right to enforce such provision under other circumstances or estop the Association from enforcing any other covenant, restriction or rule. The Association, by contract or other agreement, may enforce county and city ordinances, if applicable, and permit Charleston County or the Town of Mount Pleasant to enforce ordinances on the Property for the benefit of the Association and its Members.

5.5 Implied Rights Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

5.6 Governmental Interests. For so long as the Declarant owns any property described on Exhibits "A" or "B", the Declarant may designate sites within the Property for fire, police, and utility facilities, public parks, streets, and other public or quasi-public facilities. The sites may include Common Areas, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant provided the owner consents.

5.7 Indemnification. The Association shall indemnify every officer, director, ARB member and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation and South Carolina law.
The officers, directors, ARB members and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall indemnify and forever hold each such officer, director, ARB member and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, ARB member or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

5.8 Dedication of Common Area. The Declarant or the Association may dedicate portions of the Common Area to Charleston County, South Carolina, the Town of Mount Pleasant, or to any other local, state, or federal governmental or quasi-governmental entity.

5.9 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than they otherwise might be. Neither the Association, the original Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system or measures, including any mechanism or system for limiting access to the Property, can not be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Lot that the Association, its Board of Directors and committees, Declarant, and any successor Declarant are not insurers and that each Person using the Property assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

5.10 Relationship With Tax-Exempt Organizations. The Declarant or the Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to non-profit, tax-exempt organizations for the benefit of the Property. The Association may contribute money, real or personal property or services to any such entity. Any such contribution shall be a Common Expense and included as a line item in the Association's annual budget. For the purposes of this Section a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code, including but not limited to, Sections 501(c)(3) or 501(c)(4) thereof.
ARTICLE VI
MAINTENANCE

6.1 Association's Responsibility.

(a) The Association shall maintain and keep in good repair the Area of Common Responsibility, which may include, but need not be limited to:

(i) all landscaping and other flora, parks, lakes, ponds, structures, docks and improvements, including any private streets, bike and pedestrian pathways/trails, situated upon the Common Area;

(ii) landscaping within public rights-of-way within or abutting the Property;

(iii) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or any contractor agreement for maintenance thereof entered into by the Association;

(iv) all lakes, ponds, streams and/or wetlands located within the Property which serve as part of the drainage and storm water retention system for the Property, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith; and

(v) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may, as a Common Expense, maintain other property which it does not own, including, without limitation, property dedicated to the public, or provide maintenance or services related to such property over and above the level being provided by the property owner, if the Board of Directors determines that such maintenance is necessary or desirable.
(b) There are hereby reserved to the Association easements over the
Property as necessary to enable the Association to fulfill its responsibilities under this
Declaration. The Association shall maintain the facilities and equipment within the
Area of Common Responsibility in continuous operation, except for any periods
necessary, as determined in the sole discretion of the Board, to perform required
maintenance or repairs, unless Members representing 75% of the Class “A” votes in
the Association and the Class “B” Member, if any, agree in writing to discontinue
such operation.

Except as provided above, the Area of Common Responsibility shall not be
reduced by amendment of this Declaration or any other means except with the prior
written approval of the Declarant as long as the Class “B” Control Period has not expired.

(c) Except as otherwise specifically provided herein, all costs associated
with maintenance, repair and replacement of the Area of Common Responsibility
shall be a Common Expense to be allocated among all Lots as part of the General
Assessment, without prejudice to the right of the Association to seek reimbursement
from the owner(s) of, or other Persons responsible for, certain portions of the Area
of Common Responsibility pursuant to this Declaration, other recorded covenants,
or agreements with the owner(s) thereof.

anything contained herein to the contrary, the Association, through action of its Board, may, at its
option and as a Common Expense, supplement the maintenance, repair and/or replacement of any
adjacent public rights-of-way, including any road surfaces, sidewalks, signage, lighting, landscaping
or other improvements located therein. Any such cost or expense shall be deemed a Common
Expense.

6.3 Owner’s Responsibility. Each Owner shall maintain his or her Lot, and all structures,
parking areas, and other improvements comprising the Lot in a manner consistent with the
Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is
otherwise assumed by the Association. In addition to any other enforcement rights, if an Owner fails
properly to perform its maintenance responsibility, the Association may perform such maintenance
responsibilities and assess all costs incurred by the Association against the Lot and the Owner in
accordance with this Declaration. The Association shall afford the Owner reasonable notice and an
opportunity to cure the problem prior to entry, except when entry is required due to an emergency
situation.

6.4 Standard of Performance. Unless otherwise specifically provided herein or in other
instruments creating and assigning such maintenance responsibility, responsibility for maintenance
shall include responsibility for repair and replacement, as necessary. All maintenance shall be
performed in a manner consistent with the Community-Wide Standard and all applicable covenants.
The Association, and/or an Owner shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

ARTICLE VII
INSURANCE AND CASUALTY LOSSES

7.1 Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(ii) Commercial general liability insurance, including liability insurance on the Common Area and the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least $1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers' compensation insurance and employer's liability insurance, if and to the extent required by law;
(iv) Directors' and officers' liability coverage;

(v) To the extent required by the Board, fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth of the annual General Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance.

In the event that any portion of the Property is or shall become located in an area identified by the Federal Emergency Management Agency (FEMA) as an area having special flood hazards, a “blanket” policy of flood insurance on the Property must be maintained in the amount of 100% of current replacement cost of all effected improvements and other insurance property or the maximum limit of coverage available, whichever is less.

Premiums for all insurance shall be Common Expenses and shall be included in the General Assessment.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the metropolitan Charleston, South Carolina area.

All Association policies shall provide for a certificate of insurance to be furnished to each Member insured and to the Association.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.1(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Lots pursuant to Section 9.5.
All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of South Carolina which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Areas shall be for the benefit of the Association and its Members;

(iii) not be brought in to contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement; and

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause. In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide: (a) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, agents, and guests; (b) a waiver of the insurer's rights to repair and reconstruct instead of paying cash; (c) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; (d) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause; (e) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal; (f) a cross liability provision; and (g) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) **Damage and Destruction.** Immediately after damage or destruction to all or any part of the Property covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing
or restoring the property to substantially the condition in which it existed prior to the
damage, allowing for changes or improvements necessitated by changes in applicable
building codes.

Any damage to or destruction of the Common Area shall be repaired or
reconstructed unless the Voting Members representing at least 75% of the total Class
"A" votes in the Association, and the Class "B" Member, if any, decide within 60
days after the loss not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost
of repair or reconstruction, or both, are not available to the Association within such
60-day period, then the period shall be extended until such funds and information are
available. However, such extension shall not exceed 60 additional days. No
Mortgagee shall have the right to participate in the determination of whether the
damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction
to the Common Area shall not be repaired or reconstructed and no alternative
improvements are authorized, the affected property shall be cleared of all debris and
ruins and thereafter shall be maintained by the Association in a neat and attractive,
landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or
reconstruction, or after such settlement as is necessary and appropriate, shall be
retained by and for the benefit of the Association, and placed in a capital
improvements account. This is a covenant for the benefit of Mortgagees and may be
enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or
reconstruction, the Board of Directors may, without a vote of the Voting Members,
levy Special Assessments to cover the shortfall against those Owners responsible for
the premiums for the applicable insurance coverage under Section 7.1(a).

7.2 Owners' Insurance. By virtue of taking title to a Lot, each Owner covenants and
agrees with all other Owners and with the Association to carry property insurance for the full
replacement cost of all insurable improvements on his or her Lot, less a reasonable deductible. If
the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners,
the premiums for such insurance shall be levied as a Specific Assessment against the benefitted Lot
and the Owner thereof pursuant to Section 9.5. Each Owner further covenants and agrees that in the
event of damage to or destruction of structures on or comprising his Lot, the Owner shall proceed
promptly to repair or to reconstruct in a manner consistent with the original construction or such
other plans and specifications as are approved in accordance with Article X. Alternatively, the
Owner shall clear the Lot of all debris and ruins and maintain the Lot in a neat and attractive,
landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

ARTICLE VIII
MASTER DOCK PLAN; PRIVATE DOCKS AND JOINT DOCKS

8.1 Master Dock Plan. The Subdivision is subject to the Dock Master Plan approved by OCRM, pursuant to which the Owners of Lots 1-8 and Lots 11-14 may be allowed to construct individual private docks for the sole and exclusive use of each such respective Owners (the "Private Docks"). In addition, the Owners of Lots 9 and 10 shall be allowed to construct one (1) shared dock for the joint use and enjoyment of said Lots 9 and 10 (the "Lots 9 and 10 Joint Dock"); the Owners of Lots 15 and 16 shall be allowed to construct one (1) shared dock for the joint use and enjoyment of said Lots 15 and 16 (the "Lots 15 and 16 Joint Dock"); and the Owner of Lot 17 and the owner or owners of Tax Map Parcel No. 514-05-00-002 as shown on the Subdivision Plat (the "Bixler Lot") shall be allowed to construct one (1) shared dock for the joint use and enjoyment of Lot 17 and the Bixler Lot (the "Lot 17/Bixler Lot Joint Dock"). The Lots 9 and 10 Joint Dock, the Lots 15 and 16 Joint Dock and the Lot 17/Bixler Joint Dock are hereinafter sometimes referred to collectively as the "Joint Docks". Lots 18, 19, 20, 21, 22 and 23 shall have no docks appurtenant to such Lots. Each Private Dock shall be constructed at the sole cost and expense of the Owner or Owners of the Lot to which such Private Dock is appurtenant. The cost and expense of constructing the Lots 9 and 10 Joint Dock and the Lots 15 and 16 Joint Dock shall be allocated and apportioned in accordance with the provisions of Section 8.7 of this Declaration, and the cost and expense of constructing and maintaining the Lot 17/Bixler Joint Dock shall be allocated and apportioned in accordance with the provisions of the Lot 17/Bixler Joint Dock Use Agreement as defined in Section 8.8 of this Declaration. NOTICE IS HEREBY GIVEN THAT DOCK MASTER PLAN APPROVAL BY OCRM DOES NOT GUARANTEE THE ISSUANCE OF ANY DOCK PERMITS AND IS ONLY USED AS A GUIDE BY OCRM IN MAKING PERMITTING DECISIONS.

8.2 Conditions and Provisions for Private Docks and Joint Docks. Notwithstanding anything contained herein to the contrary, the Private Docks and the Joint Docks shall be subject to (i) final permitting approval from OCRM and any other governmental agency having jurisdiction thereof; (ii) approval by the Architectural Review Board pursuant to Article X of this Declaration as to design, location, siting and construction materials, and (iii) approval by the Declarant so long as the Class "B" Control Period has not expired or terminated. In addition, all Private Docks and Joint Docks shall be constructed within the Dock Corridors as shown and depicted on the Subdivision Plat and in strict conformance with all other terms and provisions of this Declaration.

8.3 Application for Dock to OCRM. No Private Dock or Joint Dock shall be submitted to OCRM which has not obtained the prior written approval of the Architectural Review Board and the Declarant, except that no prior written approval of the Declarant shall be required following expiration or termination of the Class "B" Control Period.
8.4 **Construction and Maintenance of Docks.** All Private Docks and Joint Docks shall be constructed and maintained in conformance with all applicable OCRM regulations and requirements and all applicable provisions of this Declaration. NOTHING CONTAINED IN THIS DECLARATION SHALL CONSTITUTE A REPRESENTATION, WARRANTY OR GUARANTY ON THE PART OF THE DECLARANT OR THE ASSOCIATION THAT OCRM SHALL GRANT A PERMIT FOR ANY PRIVATE DOCK OR JOINT DOCK.

8.5 **Use of Docks.** The use of all Private Docks and Joint Docks shall be limited to the Owner(s) of the Lots to which such docks are appurtenant, their immediate family, guests and invitees. The use of each such dock shall be limited to recreational purposes only and all commercial activities or moorings shall be prohibited. The Declarant or the Association may establish different and/or additional rules, uses and restrictions for any community dock which may be constructed as an appurtenance to the Common Area, and any such community dock, if constructed, shall be subject to all terms and provisions of (i) Section 5.2 of this Declaration, (ii) the Dock Master Plan, and (iii) all terms and provisions of any permit or permits therefor which may have been or which may hereafter be issued by OCRM.

8.6 **Easements in Favor of OCRM.** OCRM and its authorized agents shall have the right and easement to enter and go upon Lots 1-17 to inspect said Lots and take actions necessary to verify compliance with the Dock Master Plan, as the same may be amended or revised from time to time.

8.7 **Additional Covenants, Conditions, Easements and Restrictions Relating to Lots 9, 10, 15 and 16 and the Lots 9 and 10 Joint Dock and the Lots 15 and 16 Joint Dock.** In addition to the other provisions of this Declaration, Lots 9 and 10 and Lots 15 and 16, and the Lots 9 and 10 Joint Dock and the Lots 15 and 16 Joint Dock shall be subject to the following additional covenants, conditions, easements and restrictions which shall be binding upon the Owners of Lots 9 and 10 and the Owners of Lots 15 and 16, and binding upon all parties having any right, title or interest in any portion of said Lots, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each such Owner thereof:

(a) **Location of the Lots 9 and 10 Joint Dock and the Lots 15 and 16 Joint Dock.** The Lots 9 and 10 Joint Dock shall be located on the common property line between Lots 9 and 10, and the Lots 15 and 16 Joint Dock shall be located on the common property line between Lots 15 and 16. Any other location for such Joint Dock shall be subject to approval by the Architectural Review Board, OCRM and the Declarant.

(b) **Lots 9 and 10 Joint Dock Construction, Repair and Maintenance.** The Lots 9 and 10 Joint Dock may be constructed jointly by the Owners of Lots 9 and 10, or the Lot 9 Owner or the Lot 10 Owner, at their option, may construct said Joint Dock. In any event, the Owners of Lots 9 and 10 shall be jointly and severally liable for all Joint Dock Expenses with respect to the Lots 9 and 10 Joint Dock. For purposes of this Declaration, the term "Joint Dock Expenses" shall mean all expenses (including, but not limited to, construction costs, insurance premiums, repairs, taxes, utilities, replacement costs, legal expenses and
attorneys’ fees, and permit fees of every type) associated with the construction, maintenance, repair and replacement of a Joint Dock. The Owners of Lot 9 and 10 shall be jointly and severally liable for the Joint Dock Expenses for the Lots 9 and 10 Joint Dock, irrespective of which Owner actually constructs said Joint Dock and irrespective of which Owner may advance such Joint Dock Expenses. To the extent either such Owner shall pay such Joint Dock Expenses, including any up-front construction costs or other expenses, such Owner shall be entitled to a reimbursement of half of such Joint Dock Expenses by the other Owner entitled to joint use and enjoyment of such Joint Dock, and such reimbursement of such Joint Dock Expenses shall be a condition precedent to the use and enjoyment of such Joint Dock by the non-contributing Owner. Notwithstanding anything contained herein to the contrary, in the event any repairs or replacement to such Joint Dock may be necessitated in whole or in part by the negligent or intentional actions of one Owner, its invitees, guests, tenants or family, such Owner shall be solely responsible to the non-responsible Owner for such repairs and/or replacement. If any such repairs or replacement are not performed or commenced within thirty (30) days of the event necessitating such repairs, the non-responsible Owner may make such repairs or replacement and shall be entitled to reimbursement from the responsible Owner within thirty (30) days of the submittal of invoices for such cost and expense. In the event the Owner of Lot 9 or the Owner of Lot 10 shall fail or refuse to pay its half of the Joint Dock Expenses to the other Owner as provided herein, including any up-front construction costs incurred by the other Owner entitled to the joint use and enjoyment of such Joint Dock, or if either Owner shall fail to reimburse the other Owner for the cost and expense of any repairs or replacement to such Joint Dock necessitated in whole or in part by the negligent or intentional actions of said Owner, its invitees, guests, tenants or family, such failure or refusal shall result in the suspension or termination of such joint usage with respect to such defaulting Owner, and the non-defaulting party may pursue any further remedy as set forth hereinbelow, including the collection of such amounts due, plus reasonable attorneys fees and court costs.

(c) **Lots 15 and 16 Joint Dock Construction, Repair and Maintenance.** The Lots 15 and 16 Joint Dock may be constructed jointly by the Owners of Lots 15 and 16, or the Lot 15 Owner or the Lot 16 Owner may construct said Joint Dock. In any event, the Owners of Lots 15 and 16 shall be jointly and severally liable for all Joint Dock Expenses with respect to the Lots 15 and 16 Joint Dock. The Owners of Lot 15 and 16 shall be jointly and severally liable for the Joint Dock Expenses for the Lots 15 and 16 Joint Dock, irrespective of which Owner actually constructs said Joint Dock and irrespective of which Owner may advance such Joint Dock Expenses. To the extent either such Owner shall pay such Joint Dock Expenses, including any up-front construction costs or other expenses, such Owner shall be entitled to a reimbursement of half of such Joint Dock Expenses by the other Owner entitled to joint use and enjoyment of such Joint Dock, and such reimbursement of such Joint Dock Expenses shall be a condition precedent to the use and enjoyment of such Joint Dock by the non-contributing Owner. Notwithstanding anything contained herein to the contrary, in the event any repairs or replacement to such Joint Dock may be necessitated in whole or in part by the negligent or intentional actions of one Owner, its invitees, guests, tenants or family,
such Owner shall be solely responsible to the non-responsible Owner for such repairs and/or replacement. If any such repairs or replacement are not performed or commenced within thirty (30) days of the event necessitating such repairs, the non-responsible Owner may make such repairs or replacement and shall be entitled to reimbursement from the responsible Owner within thirty (30) days of the submittal of invoices for such cost and expense. In the event the Owner of Lot 15 or the Owner of Lot 16 shall fail or refuse to pay its half share of the Joint Dock Expenses to the other Owner as provided herein, including any up-front construction costs incurred by the other Owner entitled to the joint use and enjoyment of such Joint Dock, or if either Owner shall fail to reimburse the other Owner for the cost and expense of any repairs or replacement to such Joint Dock necessitated in whole or in part by the negligent or intentional actions of said Owner, its invitees, guests, tenants or family, such failure or refusal shall result in the suspension or termination of such joint usage with respect to such defaulting Owner, and the non-defaulting party may pursue any further remedy as set forth hereinafter, including the collection of such amounts due, plus reasonable attorneys fees and court costs.

(d) **Joint Use and Enjoyment of Joint Docks.** Except as hereinafter provided, Lots 9 and 10 shall be entitled to the joint use and enjoyment of the Lots 9 and 10 Joint Dock, and Lots 15 and 16 shall be entitled to the joint use and enjoyment of the Lots 15 and 16 Joint Dock. No other dock or docks may be constructed as an appurtenance to Lots 9 and 10 and Lots 15 and 16.

(e) **Joint Dock Access Easement.** For purposes of allowing access, ingress and egress to the Lots 9 and 10 Joint Dock and the Lots 15 and 16 Joint Dock, each such Lot which has a Joint Dock appurtenant thereto shall be subject to a common walkway or dock access easement ("the "Dock Access Easement") upon, over and across an area which is seven and one-half (7-1/2) feet wide along each side of the common property line of Lots 9 and 10 and seven and one-half (7-1/2) feet wide along each side of the common property line of Lots 15 and 16 (for a total width of fifteen (15') feet), plus an area ten (10') feet in width adjacent to and parallel with the OCRM critical line on each Lot (the "Dock Access Easement Area"). Each such Dock Access Easement shall be a non-exclusive, perpetual, permanent, assignable, transmissible, commercial easement for purposes of pedestrian and boat access, ingress and egress over and across the respective Dock Access Easement Areas to the respective Joint Docks.

(f) **Maintenance and Repair; Capital Improvements to Joint Docks.** The Owners of Lots 9 and 10 and the Owners of Lots 15 and 16 agree to periodically confer with the other regarding the status of maintenance and repair with regard to the respective Joint Docks and at all times exercise good faith and good judgment in dealing with matters of joint interest pertaining to said Joint Docks. The said Co-Owners further agree that the respective Joint Docks shall be maintained and repaired as a Joint Dock Expense of each of the two parties in interest thereto, such expense to be shared on an equal one-half basis. The respective Co-Owners agree to periodically confer with each other regarding the need for capital
improvements to such Joint Dock and at all times exercise good faith and good judgment in dealing with the need for additional capital improvements to each such Joint Dock which are mutually beneficial. The respective Co-Owners further agree that if, in the opinion of either of the Co-Owners, capital improvements are advisable and if the other Co-Owner refuses to participate financially in the making of such capital improvements after reasonable written notice of not less than thirty (30) days setting forth the nature of such capital improvements, the other Co-Owner shall be authorized to make such capital improvements at its sole expense and the non-contributing Co-Owner shall not be liable for any portion of such cost, unless such capital improvements are required pursuant to the provisions of Section 8.7(b) or 8.7(c) hereof.

(g) **Remedies.** If any Owner of Lot 9, 10, 15 or 16 shall breach its covenants and agreements contained in this Article, or should payment for any Joint Dock Expense not be made in full to the other Owner or Owners within thirty (30) days of the due date therefor, then, in such event, the defaulting Lot Owner shall forfeit all right to use the Joint Dock unless and until full payment for such Joint Dock Expense is made with interest at the rate of one and one-half (1-1/2%) percent per month beginning thirty (30) days following the due date therefor. If said payment for any Joint Dock Expense is not made in full to the other Owner or Owners entitled thereto within forty-five (45) days of demand thereof, then, in such event, the non-defaulting Lot Owner shall have the right to seek any other legal or equitable remedy as a result of such default, including the right to place a lien on the defaulting Owner's Lot to secure payment of delinquent Joint Dock Expenses, as well as interest and costs of collection (including attorneys' fees and court costs). Such lien shall be superior to all other liens, except (i) the liens of all taxes, bonds, assessments and other levies which by law would be superior, (ii) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value, and (iii) any lien for Assessments filed pursuant to Section 9.7 of this Declaration. Such lien, when delinquent, may be enforced by suit, judgment and judicial or non-judicial foreclosure in the same manner as Association liens as provided in Section 9.7 hereof.

(h) **Insurance.** Each Owner of Lots 9, 10, 15 and 16 shall, at their cost and expense, obtain and maintain at all times, liability insurance for the respective Joint Docks and Dock Access Easement Areas with a combined personal injury and property damage limit of not less than One Million and No/100ths ($1,000,000.00) Dollars for each occurrence and not less than Two Million and No/100ths ($2,000,000.00) Dollars in the aggregate insuring against all liability for any and all damages arising as a result of utilizing the subject Dock Access Easements herein granted, or for any damages which may arise from the use of the Joint Dock by each party or by any invitees, licensees and guests coming upon the premises of the Joint Dock. Each party agrees to hold and save the other party harmless from any and all damages arising as a result of such Owner's use or the use by his or her invitees or guests of the Dock Access Easements or the Joint Docks.
8.8 Additional Covenants, Conditions, Easements and Restrictions Relating to Lot 17 and the Lot 17 Bixler Joint Dock. Lot 17 and the Lot 17/Bixler Joint Dock shall be subject to all terms, covenants, conditions, easements and restrictions contained in that certain Joint Dock Use Agreement with respect thereto by and between the Declarant, as the Owner of Lot 17, and George W. Bixler and Laurie Levy Bixler, as owners of the Bixler Lot, recorded in the Public Records contemporaneously herewith or subsequent to the recordation of this Declaration (the “Lot 17/Bixler Joint Dock Use Agreement”).

8.9 Community Dock. Any community dock which may, at Declarant’s option, be built as an appurtenance to the Amenity Parcel, shall be subject to this Declaration, all rules and regulations promulgated by the Declarant or the Association and subject to all terms and conditions of the Dock Master Plan including, without limitation, the following restrictions: (i) no permanent boat moorage of any kind shall be permitted at any such community dock; and (ii) the community dock shall be subject to any terms and conditions of any final OCRM permit authorizing the construction of same, and may or may not have a float, as determined by OCRM in the permitting process.

ARTICLE IX
ASSESSMENTS

9.1 Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be three (3) types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Lots; (b) Special Assessments as described in Section 9.4; and (d) Specific Assessments as described in Section 9.5. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Property, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest at a rate to be set by the Board, (subject to the maximum interest rate limitations of South Carolina law), late charges in such amount as the Board may establish by resolution, costs, and reasonable attorneys’ fees, shall be a charge and continuing lien upon each Lot against which the assessment is made until paid, as more particularly provided in Section 9.6. Each such assessment, together with interest, late charges, costs, and reasonable attorneys’ fees, also shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Lot by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate. Assessments shall be paid in such manner and on such dates as the Board may establish,
which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

No Owner may exempt himself from liability for assessments by non-use of Common Area, including Exclusive Common Area reserved for such Owner's use, abandonment of his Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant or other entities for payment of Common Expenses.

9.2 Computation of General Assessment. At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 9.3.

General Assessments shall be levied against each Lot based on the formula set forth in Schedule 9.2 attached hereto and incorporated herein by reference, with each Lot being assigned an initial classification, as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Lots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class One</td>
<td>1-8</td>
</tr>
<tr>
<td>Class Two</td>
<td>9-11</td>
</tr>
<tr>
<td>Class Three</td>
<td>12-17</td>
</tr>
<tr>
<td>Class Four</td>
<td>18-23</td>
</tr>
</tbody>
</table>

Once the Board has prepared a budget covering the estimated Common Expenses during the coming year, as provided herein, it shall establish the General Assessments for each Lot using the formula set forth in Schedule 9.2 so that the assessments shall be set at a level which shall produce total income for the Association equal to the total budgeted Common Expenses, including reserves.

In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years and any assessment income expected to be
generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year. As and when the Declarant, at its option, shall submit any Additional Property to this Declaration pursuant to Article II, each additional Lot shall be given a Lot classification by the Declarant applying the same general criteria used by Declarant in establishing the Lot classification for the initial 23 Lots in the Subdivision, and the value of A, B, C and D in the Schedule 9.2 formula shall be changed to equal the then current total number of Lots in each such class.

So long as the Declarant has the right unilaterally to annex Additional Property pursuant to Article II, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy, which may be treated as either a contribution or an advance against future assessments due from the Declarant, or a loan, in the Declarant's discretion. Any such subsidy shall be conspicuously disclosed as a line item in the Common Expense budget and the treatment of such subsidy shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances oblige the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner at least fifteen (15) days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Voting Members representing at least 75% of the total Class "A" votes in the Association, and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Voting Members as provided for special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within 10 days after delivery of the notice of assessments.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year, adjusted to take into account any increase in the Consumer Price Index-US All Cities Average for the preceding year, and also adjusted for any uncontrollable changes such as taxes, insurance and utilities.

9.3 Reserve Budget and Capital Contribution. The Board shall annually prepare a reserve budget which takes into account the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution to such reserve in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual General Assessments, over the budget period.

9.4 Special Assessments. In addition to other authorized assessments, the Board may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership. Any Special Assessment shall require the written consent of the Class "B" Member, if such exists.
Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. Special Assessments shall be levied and based on the same formula set forth in Schedule 9.2 except “Total Special Assessment” shall be substituted in such formula for “Total Budget.”

9.5 **Specific Assessments.** The Board shall have the power to levy Specific Assessments against a particular Lot or Lots as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot(s) or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which might include, without limitation, landscape maintenance, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner;

(b) to cover costs of providing, maintaining and operating recreational facilities as Exclusive Common Area for the benefit of the Owners and occupants of less than all Lots;

(c) to cover costs incurred in bringing the Lot(s) into compliance with the terms of this Declaration, any applicable Supplemental Declaration, the By-Laws or rules, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b).

9.6 **Lien for Assessments.** The Association shall have a lien against each Lot to secure payment of delinquent assessments, as well as interest and late charges (subject to the limitations of South Carolina law), and costs of collection (including attorneys’ fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure. The Association may bid for the Lot, at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its prorata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.
The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Lot who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 9.2, including such acquirer, its successors and assigns.

9.7 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Lot on the date that such Lot is conveyed to an Owner other than the Declarant, or the date on which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual General Assessment levied on each Lot shall be adjusted according to the number of days remaining in the fiscal year at the time Assessments commence on the Lot.

9.8 Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

9.9 Exempt Property. The following property shall be exempt from payment of General Assessments and Special Assessments and Specific Assessments:

(a) All Common Area and such portions of the Property owned by the Declarant;

(b) Any property dedicated to and accepted by any governmental authority or public utility; and

(c) Unsubdivided land and/or undeveloped or unsold Lots owned by the Declarant.

9.10 Capitalization of Association. Upon acquisition of record title to a Lot by the first Owner thereof other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth of the annual General Assessment per Lot for that year. This amount shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws.
ARTICLE X
ARCHITECTURAL STANDARDS

10.1 **General.** No structure (including, without limitation, houses, garages, storage sheds, fences, docks and ancillary structures) shall be placed, erected, or installed upon any Lot, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article, and with the approval of the ARB (as hereinafter defined), unless exempted from the application and approval requirements pursuant to the provisions hereof.

Any Owner may remodel, paint or redecorate the interior of structures on its Lot without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Lot visible from outside the structures on the Lot shall be subject to ARB approval. No ARB approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

All dwellings constructed on any portion of the Property shall be designed by and built in accordance with the plans and specifications of a licensed architect or other qualified building designer.

This Article shall not apply to the activities of the Declarant, nor to improvements to the Common Area by or on behalf of the Association or to improvements to the Area of Common Responsibility.

This Article may not be amended without the Declarant's written consent so long as the Class “B” Control Period has not expired or so long as Declarant owns any land subject to annexation to this Declaration.

10.2 **Architectural Review.** Responsibility for administration of the Design Guidelines and review of all applications for construction and modifications under this Section shall be handled by the Architectural Review Board (the “ARB”), the members of which need not be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or other professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the committees in having any application reviewed by architects, engineers or other professionals.

10.3 **Architectural Review Board.** The ARB shall consist of at least three, but not more than five, persons and shall have exclusive jurisdiction over all original construction on any portion of the Property, and all subsequent modifications, additions or alterations thereto. Until expiration or termination of the Class “B” Control Period, the Declarant retains the right to appoint all members
of the ARB, who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board shall appoint the members of the ARB, who shall thereafter serve and may be removed in the Board's discretion.

10.4 **Design Guidelines.** The Declarant shall prepare the initial Design Guidelines for the Property. The Design Guidelines may contain general provisions applicable to all of the Property, as well as specific provisions which vary according to land use and from one portion of the Property to another depending upon the location, unique characteristics, and intended use. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the committees in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the ARB and compliance with the Design Guidelines does not guarantee approval of any application.

The ARB shall adopt such Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them, except that no amendment shall be effective without Declarant's consent and approval so long as the Class "B" Control Period has not expired or terminated. The Declarant may also unilaterally amend the Design Guidelines so long as the Class "B" Control Period has not expired or terminated. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. Except as provided herein, there shall be no limitation on the scope of amendments to the Design Guidelines, and the ARB (with the Declarant’s consent and approval) and the Declarant are expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines more or less restrictive.

The ARB shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Property. In the Declarant's discretion, such Design Guidelines may be recorded in the Public Records, in which event the recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

The ARB or the Declarant may promulgate detailed procedures and standards governing its area of responsibility, consistent with those set forth in the Design Guidelines and subject to review and approval or disapproval by the Declarant during the Class "B" Control Period. Any architectural guidelines and standards adopted by the ARB may be more restrictive than the Design Guidelines, but under no circumstances shall they be inconsistent with the Design Guidelines.

10.5 **Design Procedures.** Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the ARB for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted as applicable. In reviewing each submission, the ARB may consider the quality of
workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things. Decisions of the ARB may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as ARB members change over time. In the event that the ARB fails to approve or to disapprove any application within 30 days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the ARB pursuant to Section 10.7. Notwithstanding the above, the ARB by resolution may exempt certain activities from the application and approval requirements of this Section, provided such activities are undertaken in strict compliance with the requirements of such resolution.

10.6 **No Waiver of Future Approvals.** Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

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

10.8 **Limitation of Liability.** Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the ARB shall not be responsible for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, the ARB, or any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Lot. In all matters, the ARB and its members shall be defended and indemnified by the Association as provided in Section 5.7.

10.9 **Enforcement.** Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with interest at the rate of 1.5% per month (not to exceed the
maximum rate then allowed by law), may be assessed against the applicable Lot and collected as a Specific Assessment.

Unless otherwise specified in writing by the ARB, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the By-Laws, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Property, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARB.

ARTICLE XI
USE RESTRICTIONS AND RULES

11.1 Plan of Development: Applicability; Effect. Declarant has established a general plan of development for the Property as a master planned community in order to enhance all Owners' quality of life and collective interests, the aesthetics and environment within the Property, and the vitality of and sense of community within the Property, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the master planned community and to regulate and control the Area of Common Responsibility. The Property is subject to the Design Guidelines, the land development, architectural, and design provisions described in Article X, the other provisions of this Declaration governing individual conduct and uses of and actions upon the Property, and the Use Restrictions and Rules promulgated pursuant to this Declaration, all of which establish affirmative and negative covenants, easements, and restrictions on the Property.

All provisions of this Declaration and any Association rules shall apply to all Owners, occupants, tenants, guests and invitees of any Lot. Any lease on any Lot shall provide that the lessee and all occupants of the leased Lot shall be bound by the terms of this Declaration, the By-Laws, and the rules of the Association.
11.2 Authority to Promulgate Use Restrictions and Rules. The initial Use Restrictions and Rules applicable to all of the Property are hereinafter set forth in this Article XI. Subject to the terms of this Article, the initial Use Restrictions and Rules may be modified in whole or in part, repealed or expanded as follows:

(a) Subject to the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may adopt rules which modify, cancel, limit, create exceptions to, or expand the initial Use Restrictions and Rules. The Board shall send notice by mail to all Owners concerning any such proposed action at least five business days prior to the Board meeting at which such action is to be considered. Voting Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective unless disapproved at a meeting by Voting Members representing at least 51% of the total Class "A" votes in the Association and by the Class "B" Member, if any. The Board shall have no obligation to call a meeting of the Voting Members to consider disapproval except upon petition of the Voting Members as required for special meetings in the By-Laws. If the Voting Members request a meeting to consider disapproval of a Board adopted rule prior to the effective date of such rule, the rule may not become effective until after such meeting is held.

(b) Alternatively, the Voting Members, at a meeting duly called for such purpose as provided in the By-Laws, may adopt rules which modify, cancel, limit, create exceptions to, or expand the use restrictions and rules previously adopted, by a vote of Voting Members representing 51% of the total Class "A" votes in the Association and the approval of the Class "B" Member, if any.

(c) At least 30 days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall send a copy of the rule to each Owner. The Association shall provide, without cost, a copy of the use restrictions and rules then in effect to any requesting Member or Mortgagee.

(d) Nothing in this Section shall authorize the Board or the Voting Members to modify, repeal or expand the Design Guidelines during the Class "B" Control Period, without the Declarant's consent. In the event of a conflict between the Design Guidelines and the Use Restrictions and Rules, the Design Guidelines shall control.

11.3 Owners' Acknowledgment and Notice to Purchasers. All Owners and occupants of Lots and purchasers are given notice that use of the Lots is limited by the Use Restrictions and Rules as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance
of a deed or entering into a contract for the purchase of a Lot, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot can be affected and that the Use Restrictions and Rules may change from time to time.

11.4 Rights of Owners. Except as may be specifically set forth in this Declaration (either initially or by amendment), neither the Board nor the Voting Members may adopt any rule in violation of the following provisions:

(a) Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.

(b) Speech. The rights of Owners and occupants to engage in political speech in or on their Lots shall not be abridged, except that the Association may adopt time, place, and manner restrictions.

(c) Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Lots of the kinds normally displayed in residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions on such displays.

(d) Household Composition. No rule shall interfere with the freedom of occupants of Lots to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping Lot and to limit the total number of occupants permitted in each Lot on the basis of the size and facilities of the Lot and its fair use of the Common Area.

(e) Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Lots, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.

(f) Allocation of Burdens and Benefits. No rule shall alter the rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Areas available, from adopting generally applicable rules for use of Common Area, from denying use privileges to those who abuse the Common Area, violate rules or this Declaration, or fail to pay assessments, or from granting others rights in and to the Common Areas as provided elsewhere in
this Declaration. This provision does not affect the right to increase the amount of assessments as provided in Article IX.

(g) **Reasonable Rights to Develop.** No rule or action by the Association or Board shall unreasonably impede the Declarant's right to develop the Property.

(h) **Abridging Existing Rights.** If any rule would otherwise require Owners or occupants of Lots to dispose of personal property which they maintained in or on the Lot prior to the effective date of such rule, or to vacate a Lot in which they resided prior to the effective date of such rule, and such property was maintained or such occupancy was in compliance with this Declaration and all rules previously in force, such rule shall not apply to any such Owners without their written consent unless the rule was in effect at the time such Owners or occupants acquired their interest in the Lot.

The limitations in this Section 11.4 shall apply to rules only; they shall not apply to amendments to this Declaration adopted in accordance with Section 15.5.

11.5 **General.** The Property shall be used for single-family residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by the Declarant to assist in the sale of property described on Exhibits "A" or "B", offices for any property manager retained by the Association, or business offices for the Declarant or the Association) consistent with this Declaration and any Supplemental Declaration.

11.6 **Restricted Activities.** The following activities are prohibited within the Property unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles or in operable vehicles in places other than enclosed garages or docks approved in accordance with this Declaration; provided, construction, service and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Area;

(b) **Raising, breeding or keeping of animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Lot; however, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon request of the Board.** If the pet owner
fails to honor such request, the Board may remove the pet. Dogs shall be kept on a
leash or otherwise confined in a manner acceptable to the Board whenever outside
the dwelling. Pets shall be registered, licensed and inoculated as required by law;

c) Any activity which emits foul or obnoxious odors outside the Lot or
creates noise or other conditions which tend to disturb the peace or threaten the safety
of the occupants of other Lots;

d) Pursuit of hobbies or other activities which tend to cause an unclean,
unhealthy or untidy condition to exist outside of enclosed structures on the Lot;

e) Any noxious or offensive activity which in the reasonable
determination of the Board tends to cause embarrassment, discomfort, annoyance, or
nuisance to persons using the Common Area or to the occupants of other Lots

f) Outside burning of trash, leaves, debris or other materials, except
during the normal course of constructing a dwelling on a Lot;

g) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or
other sound device so as to be audible to occupants of other Lots, except alarm
devices used exclusively for security purposes;

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

i) Accumulation of rubbish, trash, or garbage except between regular
garbage pick ups, and then only in approved containers and screened from view from
streets and other Lots;

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

k) Subdivision of a Lot into two or more Lots, or changing the boundary
lines of any Lot after a subdivision plat including such Lot has been approved and
filed in the Public Records, except that the Declarant shall be permitted to recombine,
subdivide or replat Lots which it owns;
(l) Discharge of firearms, firecrackers and other fireworks; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

(m) On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment;

(n) Any business or trade which is not expressly permitted under this Declaration, or any garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as:

(i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Lot;

(ii) the business activity conforms to all zoning requirements of the Town of Mount Pleasant for the Property;

(iii) the business activity does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Property; and

(iv) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

The leasing of a Lot shall not be considered a business or trade within the meaning of this subsection so long as such lease conforms to all other requirements of this Declaration. This subsection shall not apply to any activity conducted by the Declarant
or a Builder approved by the Declarant with respect to its
development and sale of the Property or its use of any Lots which it
owns within the Property, including the operation of a timeshare or
similar program;

(o) Capturing, trapping or killing of wildlife within the Property, except
in circumstances posing an imminent threat to the safety of persons using the
Property. Nothing contained herein shall prohibit fishing, shrimping or crabbing
from any dock or docks within the Property which are constructed in accordance with
the provisions hereof;

(p) Any activities which materially disturb or destroy the vegetation,
wildlife, wetlands, or air quality within the Property or which use excessive amounts
of water or which result in unreasonable levels of sound or light pollution;

(q) Conversion of any carport or garage to finished space for use as an
apartment or other integral part of the living area on any Lot without the prior
approval of the ARB pursuant to Article X; and

(r) Any construction, erection, or placement of any thing, permanently
or temporarily, on the outside portions of the Lot, whether such portion is improved
or unimproved, except in strict compliance with the provisions of Article X of this
Declaration. This shall include, without limitation, signs, basketball hoops, swing
sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles;
above-ground swimming pools; docks, piers and similar structures; antennas, satellite
dishes, or other apparatus for the transmission or reception of television, radio,
satellite, or other signals of any kind; and hedges, walls, dog runs, animal pens, or
fences of any kind.

11.7 Prohibited Conditions. The following shall be prohibited within the Property:

(a) Plants, animals, devices or other things of any sort whose activities
or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature
as may diminish or destroy the enjoyment of the Property;

(b) Structures, equipment or other items on the exterior portions of a Lot
which have become rusty, dilapidated or otherwise fallen into disrepair;

(c) Sprinkler or irrigation systems or wells of any type which draw upon
water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or
surface waters within the Property, except that Declarant and the Association shall
have the right to draw water from such sources.
(d) Window air-conditioning units; and

(e) Use of any Lot for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program with respect to Lots which it owns.

11.8 Leasing of Lots. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. The Board may require a minimum lease term of twelve (12) months. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Lot Owner within 10 days of execution of the lease. The Owner must make available to the lessee copies of the Declaration and the By-Laws.

11.9 Use and Height Restrictions. No structure shall be erected, placed or permitted to remain on any Lot other than one (1) detached single-family residential dwelling, not to exceed two-and one-half stories in height, and in no instance shall any residence exceed forty-two (42') feet in height above existing grade; provided, however, that if the Town of Mount Pleasant shall impose a lower height restriction, such lower height restriction shall apply unless the Owner of the applicable Lot shall obtain a variance therefor from the Town of Mount Pleasant. In no event shall such height exceed forty-two (42') feet above existing grade. For purposes of this Section, the first parking level or deck underneath a building built at or above grade shall not be considered a story.

11.10 Setbacks and Building Lines. Each dwelling which shall be erected on any Lot shall be situated on such Lot in accordance with the building and setback codes of the Town of Mount Pleasant, South Carolina. However, in each case individual setbacks and sidelines must be approved by the Declarant or the ARB for its aesthetic value and the Declarant or ARB may require a more stringent setback so long as the required setback does not violate the setback requirements of the Town of Mount Pleasant, South Carolina. The Declarant or ARB shall have the power and authority to promulgate and publish setback requirements for each Lot. In certain cases, the Declarant or Architectural Review Board may require an Owner to seek a variance from the Town of Mount Pleasant, South Carolina if necessary to protect important trees or vistas or to preserve aesthetic value.

11.11 Town of Mount Pleasant Special Setbacks. The Town of Mount Pleasant has imposed certain special setbacks (the "Special Building Setbacks") on certain Lots requiring that no building or other structure be constructed on any portion of such Lot having a width of eighty (80') feet or less. Special Building Setbacks have been identified on Lots 5-11 and Lots 13-15, as more particularly shown and depicted on the Subdivision Plat. No building or other structure shall be permitted on any portion of said Lots having a width of eighty (80') feet or less.
11.12 **Timely Construction Progress.** Once construction of improvements on a residence is started on any Lot, the improvements must be substantially completed within nine (9) months from commencement of construction and all landscaping must be completed within ninety (90) days after completion of the improvements or residence. All construction sites must be maintained in an orderly fashion and all construction debris must be placed in a trash container or removed within forty-eight (48) hours.

11.13 **Material Restriction.** All structures constructed or placed on any Lot shall be built of substantially new material and no used structures shall be relocated or placed on any such Lot.

11.14 **Re-Building Requirement.** Any dwelling or out-building on any Lot which may be destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be rebuilt or all debris removed and the Lot restored to a natural condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than three (3) months.

11.15 **Elevation and Drainage Changes.** No changes in the elevation, topography or drainage characteristics of the Subdivision shall be made on the premises without the prior written approval of the ARB nor shall any fill be used to extend any Property beyond any boundary line of any waterfront Property.

11.16 **Tree Removal.** No trees or bushes of any kind having a diameter of six (6") inches or more (measured from a point two (2') feet above the ground level) shall be removed from any Lot without the express written authorization of the Declarant or ARB. The Declarant or ARB shall further have the authority to require any Owner removing a tree in violation of this clause to replace same at such owner's cost. The Declarant or ARB reserves the right to have specimen trees preserved and to have site planning provide for their preservation.

11.17 **Sewer System.** No septic tanks are permitted in the Subdivision. A purchaser of a Lot assumes responsibility for attaching to the public sewer system including all impact fees or tap-in fees associated therewith.

11.18 **Garbage Disposal.** Each Owner shall provide garbage receptacles or similar facilities in accordance with reasonable standards established by the ARB, which shall be visible from the streets on garbage pickup days only. No garbage or trash incinerator shall be permitted upon the premises. No burning, burying or other disposal or garbage or trash on any Lot or within the Subdivision shall be permitted.

11.19 **Sign Controls.** No signs of any character shall be erected on any Lot or displayed to the public on any Lot except "For Sale" signs or signs indicating the name of one contractor only (not subcontractors) during the period of sale or construction only, provided said signs (a) shall not exceed six square feet in size, (b) shall only refer to the premises on which displayed, (c) shall be located within fifteen (15') feet of the main structure but no less than twenty five (25') feet from the front street right-of-way, and (d) shall not exceed more than one per Lot. This restriction shall not
apply to signs used to identify and advertise the Subdivision as a whole, nor to signs for selling Lots and/or houses during the development and construction period, which period shall not exceed ten (10) years from the date hereof, provided such signs are approved by the Declarant or Architectural Review Board.

11.20 Additional Restrictions for Lots Fronting Marsh (Lots 1-17).

(a) All marsh front Lots are subject to the Town of Mount Pleasant Critical Line Buffer Ordinance (Ordinance No. 99069) as the same may be amended from time to time, which requires, among other things, the establishment of a thirty-five (35') foot vegetated buffer along the "critical line" as defined and established by OCRM. Such Critical Line Buffer is shown and depicted on the Subdivision Plat. No uses shall be allowed within said critical line buffer except as permitted in the Critical Line Buffer Ordinance. All Owners of marsh front Lots agree to comply with all terms and conditions of the Critical Line Buffer Ordinance, as the same may be amended from time to time, the provisions of which are incorporated herein by reference.

(b) All marsh front Lots are further subject to a thirty (30') foot critical line setback, as shown and depicted on the Subdivision Plat (the "OCRM Setback"), within which no activity may occur except as authorized or permitted by OCRM.

(c) All Private Docks and Joint Docks appurtenant to any of the marsh front Lots shall be subject to all terms and provisions of this Declaration, including all terms and provisions of Article VIII. No dock, pier, or wharf shall be constructed on the marsh or other critical area without the approval of the Declarant or Architectural Review Board. In order to obtain such approval, it will be necessary to submit plans in accordance with the Design Guidelines, including specifications relating to the location, color, height, finish and other details of such proposed facility. The Declarant and the ARB also reserve the right to require uniformity of design and to submit approved designs for docks, piers, or wharfs. The Declarant and the Architectural Review Board have the right to disapprove such plans on any grounds including aesthetic consideration. Any approved dock, pier, or wharf must be well maintained by the Owner and, if not maintained as required, this requirement may be enforced as provided herein in cases of violations of these covenants.

(d) No fill, waste, garbage, or other material shall be discharged, dumped or otherwise placed in the marsh or critical areas unless permitted by the Declarant, the ARB and OCRM.

(e) Fishing, shrimping and crabbing will be allowed in accordance with the rules to be established by the Association.
11.21 Traffic Regulations. Traffic regulations on all roads and streets within the Subdivision will be enforced under the provisions of the South Carolina Uniform Act for regulating traffic to private roads. A speed limit of 25 MPH is established on all roads and streets and all traffic control signs, including but not limited to speed limit, stop, directional and no parking signs will be enforced.

11.22 Building Requirements. The Living Space of the main structure on any Lot shall not be less than the following minimums:

<table>
<thead>
<tr>
<th>Lots</th>
<th>Lot Class</th>
<th>Minimum Square Feet of Living Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lots 1-8</td>
<td>Class One</td>
<td>4,000</td>
</tr>
<tr>
<td>Lots 9-11</td>
<td>Class Two</td>
<td>3,500</td>
</tr>
<tr>
<td>Lots 12-17</td>
<td>Class Three</td>
<td>3,000</td>
</tr>
<tr>
<td>Lots 18-23</td>
<td>Class Four</td>
<td>2,700</td>
</tr>
</tbody>
</table>

Houses of less that the stated minimum Living Space may be approved by the Declarant or the Architectural Review Board if in the opinion of the Declarant or Architectural Review Board the design and construction of such house would be in keeping with the adjoining properties and the lowering of the minimum Living Space requirement for such Lot would not depreciate the value of adjoining properties subject to this Declaration. Upon submission of the Additional Property or any portions thereof to this Declaration, the Declarant shall at such time or times designate the minimum square footage requirements for such Lots.

11.23 Lakes and Lagoons. The lakes, ponds and lagoons within the Subdivision are not designed for boating, swimming or bathing purposes and the same is prohibited. No docks, landings or other structures may be located in or adjacent to any lake or lagoon without the prior written consent of the Board and the Declarant. Fishing shall be permitted within the lakes to the extent permitted by the Board, so long as all regulations of the South Carolina Wildlife and Marine Resources Department, as the same may be changed from time to time, are strictly observed. No water may be withdrawn from any lake, pond or lagoon for any reason by any Owner. All property owners adjacent to the lakes and lagoons shall be prohibited from using insecticides, pesticides and other hazardous materials within twenty-five (25') feet of such lakes or lagoons.

11.24 Utility Company Requirements.

(a) Each Lot owner, lessor, and/or such owner's and lessor's heirs, successors and assigns, agree to pay the South Carolina Electric and Gas Company, or any successor or substitute electric utility company regulated by the South Carolina Public Service Commission, a monthly charge, plus applicable State of South Carolina sales tax, for operation and maintenance of street lighting systems.
(b) Each Lot Owner, lessor, and/or such Owner's and lessor's heirs, successors and assigns shall contact the South Carolina Electric and Gas Company three (3) business days prior to any digging or excavation work on said property including, but not necessarily limited to, swimming pool installations, trenching or any type or digging. Upon notification by the Lot Owner, lessor, and/or such owner's and lessor's heirs, successors and assigns, a field survey will be conducted by the South Carolina Electric and Gas Company personnel to insure that there are not conflicts with such utility company's safety requirements. An excavation in violation of such utility company's safety requirements is expressly prohibited.

11.25 Lighting. The following exterior lighting may be installed without the necessity of obtaining the prior approval of the ARB: (a) illumination of a model home and entrance features constructed by the Declarant; and (b) other lighting originally installed by the Declarant. Plans for all other exterior lighting must be submitted and approved in accordance with Article X.

11.26 Breakwalls. No Breakwall shall be constructed on any Lot unless it has been approved by the Declarant, the Architectural Review Board and by OCRM, except for the existing Breakwall located on Lots 8 and 9 as shown and depicted on the Subdivision Plat. Any changes to the Breakwall on Lots 8 and 9 shall be subject to approval by the Declarant, the ARB and OCRM. For purposes of this Declaration, the term "Breakwall" shall mean any type of retaining wall constructed at or near the water's edge to prevent erosion of a Lot.

11.27 Wetlands. Each Lot (if any) within the Subdivision which contains U. S. Army Corps of Engineers jurisdictional wetlands shall be subject to the following additional covenants, conditions and restrictions, unless waived by the Declarant during the Class B Control Period and the U. S. Army Corps of Engineers:

(a) The Owner or Owners of such Lots agree to abide by all rules and regulations of OCRM and/or the U. S. Army Corps of Engineers with respect to such wetlands.

(b) No permanent structure shall be constructed within such wetlands.

(c) No manicured lawns shall be permitted within such wetlands.

(d) No trees over four (4") inches in diameter, measured feet above the ground, may be removed from such wetlands.

11.28 South Carolina Department of Health and Environmental Control. NOTICE IS HEREBY GIVEN OF THE RESTRICTION THAT AS TO ANY PORTION OF ANY LOT WITHIN THE SUBDIVISION WHICH MAY CONTAIN SUBMERGED LAND OR OTHER CRITICAL AREAS, ALL ACTIVITIES ON OR OVER AND ALL USES OF SUCH LAND OR OTHER CRITICAL AREAS ARE SUBJECT TO THE JURISDICTION OF THE SOUTH
CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL/OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT. ANY OWNER IS LIABLE TO THE EXTENT OF SUCH OWNERS' OWNERSHIP FOR ANY DAMAGES TO, ANY INAPPROPRIATE OR UNPERMITTED USES OF, AND ANY DUTIES OR RESPONSIBILITIES CONCERNING ANY SUBMERGED LAND, COASTAL WATERS OR OTHER CRITICAL AREAS.

ARTICLE XII
EASEMENTS

12.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

12.2 Easements for Utilities, Etc.

(a) There are hereby reserved to the Declarant, so long as the Class “B” Control Period has not expired, the Association, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over, and under all of the Property (but not through a structure) to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining and operating cable television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, pathways and trails; lakes, ponds, wetlands, and drainage systems; street lights and signage; and all utilities, including, but not limited to, water, sewers, telephone, gas, and electricity, and utility meters; and for the purpose of installing any of the foregoing on property which the Declarant or the Association owns or within easements designated for such purposes on recorded plats of the Property. Declarant specifically grants to the local water supplier, electric company, telephone company, and natural gas supplier easements across the Property for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable.

(b) There is hereby reserved to the Declarant, so long as the Class “B” Control Period has not expired, the non-exclusive right and power to grant such
specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any portion of the Property.

(c) Any damage to a Lot resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry on to any Lot shall be made only after reasonable notice to the Owner or occupant.

12.3 Easement for Slope Control, Drainage and Waterway Maintenance. The Declarant, for itself and the Association, and their respective representatives, successors and assigns, contractors and agents, hereby establishes and reserves a permanent and perpetual non-exclusive easement appurtenant over, across, under, through and upon each Lot for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Lot which are or may be subject to soil erosion;

(b) drainage of natural or man-made water flow and water areas from any portion of the Property;

(c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Lot;

(d) dredging, enlarging, reducing or maintaining any water areas or waterways within the Property and

(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Property.

12.4 Easements to Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B", whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefiting from such easement is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into a reasonable agreement.
with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such property.

12.5 **Right of Entry.** The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance pursuant to this Declaration, and to inspect any Lot for the purpose of ensuring compliance with this Declaration, any Supplemental Declaration, By-Laws, and rules. Such right may be exercised by any member of the Board, the Association’s officers, agents, employees, and managers, the members of the Architectural Review Board, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any single family detached dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

12.6 **Easements for Declarant.** During the Class “B” Control Period, Declarant shall have an alienable and transferable right and easement on, over, through, under and across the Common Areas for the purpose of constructing or improving Lots, any improvements to the Common Areas and the Additional Property and for installing, maintaining, repairing and replacing such other improvements to the Subdivision (including any recreational amenities and other portions of the Common Areas) as are contemplated by this Declaration or as Declarant desires, in its sole discretion, including without limitation any improvements or changes permitted and described in this Declaration, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided that in no event shall Declarant have the obligation to do any of the foregoing.

12.7 **Additional Easements for Utilities.** There is hereby reserved for the benefit of Declarant, the Association and their respective successors and assigns the alienable, transferable and perpetual right and easement, as well as the power to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person upon, over, under and across: (i) all of the Common Areas; (ii) an area across every Lot fifteen (15') feet in width along the front boundary lines thereof, and five (5') feet in width along the side boundary lines thereof, and ten (10') feet in width along the rear boundary lines thereof; for the purpose of installing, replacing, repairing, maintaining and using master television antenna and/or cable systems, security and similar systems, and all utilities, including but not limited to storm sewers and drainage systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by the Declarant, its successors or assigns, or by the Board of Directors of the Association; provided, however, that for so long as the Class “B” Control Period has not expired or terminated, the Board of Directors must obtain the written consent of Declarant prior to granting or accepting any such easements. To the extent possible, all utility lines and facilities serving the Subdivision and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other
supplier or servicer, with respect to the portions of the Subdivision so encumbered: (i) to erect and maintain pipes, lines, manholes, pumps and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems.

12.8 **Easements for Association.** There is hereby reserved a general right and easement for the benefit of the Association, its Board, Directors, officers, agents and employees, including but not limited to any property manager employed by the Association and any employees of such manager, to enter upon any Lot or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to the Owner or occupant.

12.9 **Sales Offices, Rental Offices, Property Management Offices and Construction Offices.** Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant, its successors and assigns, the perpetual, alienable and transferable right and easement in and to the Property, including the Common Areas, for the maintenance of signs, sales offices, rental offices, property management offices, construction offices, business offices and model or sample Lots, together with such other facilities as in the sole opinion of Declarant reasonably may be required, convenient or incidental to the completion, management, rental, improvement and/or sale of Lots, Common Areas or the Additional Property. The Declarant also reserves the right to grant to any Builder or Builders the right to operate and maintain builder's trailers, sales offices and signage at any location within the Subdivision upon such terms and conditions as the Declarant in the Declarant's sole discretion may establish.

12.10 **Easements for Additional Property.** There is hereby reserved in the Declarant, its successors and assigns, for the benefit of and as an appurtenance to the Additional Property and as a burden upon the Subdivision, perpetual, non-exclusive rights and easements for: (i) pedestrian and vehicular access, ingress, egress and parking over, across, within and on all sidewalks, streets, trails, parking facilities and lagoons from time to time located on or within the Common Areas or within easements serving the Common Areas; (ii) the installation, maintenance, repair, replacement and use of security systems and utility facilities and distribution lines, including without limitation drainage systems, storm sewers and electrical, gas, telephone, water, sewer and master television antenna and/or cable system lines; and (iii) drainage and discharge of surface water onto and across the Subdivision, provided that such drainage and discharge shall not materially damage or adversely affect the Subdivision or any improvements from time to time located thereon.

12.11 **Maintenance Easement.** Subject to the other terms of this Declaration, there is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement to enter upon any unimproved portions of any Lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety and appearance within the Subdivision, provided that such
easements shall not impose any duty or obligation upon the Declarant or the Association to perform any such actions. There is also hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement, but not the obligation, to enter upon any unimproved portions of Lots which are located within twenty (20') feet from the water's edge of any lagoon, pond or other body of water within the Subdivision for the purpose of mowing such area and keeping same clear and free from unsightly growth and trash, as well as for the purpose of maintaining such body of water, such maintenance to include, without limitation, dredging and the maintenance of reasonable water quality standards.

12.12 Knee Wall Maintenance Easement. The Declarant, at its option, may construct a knee wall approximately three (3') feet in height (the “Knee Wall”) along portions of the front property lines of Lots 1-11 and Lots 20-23, which, if constructed, shall be considered a part of the Area of Common Responsibility. There is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement to enter upon any unimproved portions of the foregoing Lots for the purpose of maintaining, repairing or replacing any portion or portions of the Knee Wall; provided, however, that such easements shall not impose any duty or obligation upon the Declarant or the Association to perform any such maintenance, repair or replacement. All costs and expenses incurred by the Association in maintaining, repairing or replacing the Knee Wall shall be deemed a Common Expense.

12.13 Easements for Maintenance, Repair or Replacement of Other Walls. The Declarant and the Association reserves the right, but not the obligation, to construct (i) privacy walls along Third Avenue on portions of Lots 15, 16, 17, 18, 19, 20, 21, 22 and 23; (ii) privacy walls along the western boundary line of Lot 23 and the adjoining parcel shown on the tax maps of Charleston County as Tax Map Parcel 514-05-00-068; (iii) a privacy wall on Lot 1 adjacent to and contiguous to the northern boundary line of Tax Map Parcels 514-05-00-068 and 514-05-00-069 and the western boundary of Tax Map Parcel 514-05-00-069; and (iv) a privacy wall along the eastern boundary of Lot 17 adjacent and contiguous to the Bixler Lot (collectively, the “Privacy Walls”). Subject to the other terms of this Declaration, there is reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement to enter upon any unimproved portions of any of the foregoing Lots for the purpose of constructing, maintaining, repairing and/or replacing all or any portion of the Privacy Walls; provided, however, that such easements shall not impose any duty or obligation upon the Declarant or the Association to perform any actions. To the extent constructed, the Privacy Walls shall be deemed a portion of the Area of Common Responsibility and the costs and expenses of maintaining, repairing and/or replacing such Privacy Walls shall be deemed a Common Expense.

12.14 Sidewalk Encroachment Easements. To the extent any public sidewalk within the Subdivision encroaches upon any Lot or Lots, there is hereby reserved for the benefit of the Declarant, the Association, the Town of Mount Pleasant and their respective successors and assigns the alienable, transferable and perpetual right and easement of encroachment, and easement for
maintenance and use of any such encroachment, provided, however, that such encroachment shall not exceed a distance of four (4') feet as measured from any point on the common boundary between such Lot and the adjacent public right-of-way along a line perpendicular to such boundary.

12.15 Maintenance Easement for Lots 8 and 9 Breakwall. Subject to the other terms of this Declaration, there is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferrable and perpetual right and easement to enter upon any unimproved portions of Lots 8 and 9 for the purpose of maintaining, repairing and/or replacing the Breakwall located on Lots 8 and 9; provided, however, that such easements shall not impose any duty or obligation upon the Declarant or the Association to perform any such actions. The Breakwall presently existing on Lots 8 and 9 shall be deemed an Area of Common Responsibility and the costs and expenses of maintaining, repairing and/or replacing such Breakwall shall be deemed a Common Expense.

12.16 Easements Shown on Subdivision Plat. In addition to any other easements set forth in this Declaration, there is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns, an alienable, transferrable and perpetual right and easement over and across all easements and easement areas shown and depicted on the Subdivision Plat, including, without limitation, a twenty (20') foot drainage easement [ten (10') feet on either side of boundary line] along the common boundary lines of Lots 10 and 11, Lots 15 and 18, and Lots 21 and 22 as shown and depicted on the Subdivision Plat.

12.17 Environmental Easement. There is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement on, over and across all unimproved portions of the Common Areas and Lots for the purposes of taking any action necessary to effect compliance with environmental rules, regulations and procedures from time to time promulgated or instituted by the Board of Directors or by any governmental entity, such easement to include without limitation the right to implement erosion control procedures and practices, the right to drain standing water and the right to dispense pesticides.

12.18 Wells and Effluent. There is hereby reserved for the benefit of Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement: (i) to pump water from lagoons, ponds and other bodies of water located within the Subdivision for the purpose of irrigating any portions of the Subdivision and for other purposes; (ii) to drill, install, locate, maintain and use wells, pumping stations, water towers, siltation basins and tanks and related water and sewer treatment facilities and systems within the Common Areas.

ARTICLE XIII
MORTGAGEE PROVISIONS
The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Property. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

13.1 **Notices of Action.** A holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Lot or the Owner or Occupant which is not cured within 60 days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

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

13.2 **No Priority.** No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

13.3 **Notice to Association.** Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

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

13.5 **Construction of Article XIII.** Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or South Carolina law for any of the acts set out in this Section.
ARTICLE XIV
DECLARANT’S RIGHTS

14.1 General. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

The Declarant and Builders authorized by Declarant may maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of Lots, including, but not limited to, business offices, signs, model Lots, and sales offices. The Declarant and authorized Builders shall have easements for access to and use of such facilities.

The Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant’s review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.

Notwithstanding any contrary provision of this Declaration, no amendment to or modification to this Declaration or the Design Guidelines made after expiration or termination of the Class "B" Control Period shall be effective without prior notice to and the written approval of Declarant so long as the Declarant owns any portion of the Property primarily for development and sale.

This Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate upon the earlier of (a) fifteen (15) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement voluntarily terminating the Declarant’s rights contained herein.

ARTICLE XV
GENERAL PROVISIONS

15.1 Enforcement. The Declarant, the Association, or any Owner shall have the right to enforce, by any proceedings at law or in equity, all of the restrictions, conditions, covenants, easements, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Declarant, the Association, or any Owner to enforce any covenant, restriction or provision herein contained shall in no event be deemed as a waiver of right to do so
thereafter. The Declarant and the Association shall have the right to establish, assess and collect reasonable fines and penalties for violations of this Declaration, which shall be liens against Lots as provided herein.

15.2 **Severability.** Invalidation of any covenants or restrictions or any term, phrase or clause of this Declaration by the adjudication of any court or tribunal shall in no way effect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

15.3 **Duration.** This Declaration shall run with and bind the Property constituting the Subdivision, and shall inure to the benefit of and be enforceable by the Declarant, the Association, or any Owner for a period of twenty (20) years from the date hereof and thereafter shall continue automatically in effect for additional periods of twenty (20) years each, unless otherwise agreed to in writing by the then Owners of at least seventy-five (75%) percent of the Lots.

15.4 **Assignment.** The Declarant shall have the right to assign to any one or more Persons or associations any and all rights, powers, titles, easements and estates reserved or given to the Declarant in this Declaration.

15.5 **Amendment.**

(a) **Amendments by Declarant.** For a period of ten (10) years from the date of recording this Declaration, the Declarant, without a vote of the Owners, may amend this Declaration in any particular, by an instrument in writing filed and recorded in the Public Records, with or without the approval of the Association or any Owner or Mortgagee. Any amendment made pursuant to this Section shall be certified by Declarant as having been duly approved by Declarant, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section. In addition to the foregoing amendment rights, the Declarant shall have the right at any time without a vote of the Owners to amend the covenants and restrictions of this Declaration to correct typographical or clerical errors, and as may be required by any governmental authority, institutional or governmental lender, insurer or purchaser of mortgage loans including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration or the Federal Housing Administration.

(b) **Amendments by Association.** Amendments to this Declaration, other than those authorized by Section 15.5(a) above, shall be proposed and adopted in the following manner:
(i) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each Member of the Association.

(ii) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by Members of the Association. Such amendment must be approved by Owners holding at least a majority of the total votes in the Association; provided, however, that during the Class “B” Control Period, such amendment must also be approved by Declarant.

(iii) The agreement of the required percentage of the Owners and, where required, Declarant and any Mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, the sworn statement of the President of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded in the Public Records or at such later date as may be specified in the amendment itself.

15.6 **No Dedication of Common Areas, Etc.** Every park, pond, stream, body of water, Common Area, and other amenity within the Subdivision is a private park, facility or amenity and neither the Declarant's recording of this Declaration, nor the recording of the Subdivision Plat, nor any other act of the Declarant with respect to the Property is, or is intended to be, or shall be construed, as a dedication to the public of any said parks, ponds, bodies of water, Common Areas, recreational facilities and amenities other than as reflected herein or as reflected in any subsequent Deed or Supplemental Declaration. An easement for the use and enjoyment of each of said areas designated as Common Areas is reserved to the Declarant, its successors and assigns; to the persons who are, from time to time, Members of the Association; and to the invitees of all the aforementioned, the use of which shall be subject to such rules and regulations as may be prescribed by the Declarant and the Association, if the Association is the Owner of the facility or Common Area involved.

15.7 **Time is of the Essence.** It is agreed that time is of the essence with regard to these restrictions, covenants, limitations and conditions.

15.8 **Remedies for Violation of Restrictions.** In the event of a violation or breach of any of these restrictions by any Owner, or agent of such Owner, the Owners of Lots in the Subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Declarant or the Association, their successors and assigns, shall have the right,
whenever there shall have been built on any Lot in the Subdivision any structure which is in violation of these restrictions, to enter upon the Property where such violation exists, and summarily abate or remove the same at the expense of the Owner, if after thirty (30) days written notice of such violation, it shall not have been corrected by the Owner. The Declarant and Association are hereby granted a perpetual easement across each Lot for the purposes of carrying out its responsibilities under this Section, and any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any rights, reservation, restriction or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. Should the Declarant or Association employ counsel to enforce any of the foregoing covenants, conditions, reservations or restrictions, because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for the Declarant's or Association's counsel, shall be paid by the Owner of such Lot or Lots in breach thereof.

15.9 **Rule Against Perpetuities, Etc.** The Declarant herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself. Notwithstanding anything contained herein to the contrary, if any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

15.10 **Validity and Effective Date.** No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

15.11 **Compliance.** Every Owner and occupant of any Lot shall comply with the Governing Documents.

15.12 **Notice of Sale or Transfer of Title.** Any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the later of the date of transfer or the date upon which such notice of transfer is received by the Board, notwithstanding the transfer of title.
15.13 Exhibits. Exhibits "A," "B," "C," and "D" and Schedule 9.2 attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of this Article.

[The remainder of this page is intentionally blank]
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

IN THE PRESENCE OF

REMLEY ASSOCIATES, LLC, a South Carolina limited liability company

By: ____________________________
   Barry P. Marcus
   Its: Senior Vice President

STATE OF CONNECTICUT
   } Norwalk
   COUNTY OF FAIRFIELD

I, Kind T. Xoel (Notary Public) do hereby certify that Remley Associates, LLC, a South Carolina limited liability company, by Barry P. Marcus, Its Senior Vice President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 11th day of June, 2002.

Kind T. Xoel
Notary Public for Connecticut
My Commission Expires: 7.31.2002
SCHEDULE 9.2

\[ x = \text{Class Four Assessment per Lot} \]
\[ 2x = \text{Class Three Assessment per Lot} \]
\[ 2.5x = \text{Class Two Assessment per Lot} \]
\[ 3.5x = \text{Class One Assessment per Lot} \]

\[ A = \text{Total number of Class Four Lots (currently 6)} \]
\[ B = \text{Total number of Class Three Lots (currently 6)} \]
\[ C = \text{Total number of Class Two Lots (currently 3)} \]
\[ D = \text{Total number of Class One Lots (currently 8)} \]

\text{Formula for calculating value of } x:\]

\[ A[x] + B[2x] + C[2.5x] + D[3.5x] = \text{Total Budget} \]

By way of example: if the Total Budget equals $53,500.00, then the value of \( x \), or the General Assessment for each Class Four Lot, equals $1,000.00:

\[ 6x + 12x + 7.5x + 28x = 53,500.00 \]
\[ 53.5x = 53,500 \]
\[ x = \$1,000 \]

Therefore, if the Total Budget equals $53,500, the value of \( x \), or the Class Four Assessment, equals $1,000 per Lot. The Class Three Assessment equals 2\( x \), or $2,000 per Lot; the Class Two Assessment equals 2.5\( x \), or $2,500 per Lot; and the Class One Assessment equals 3.5\( x \), or $3,500 per Lot.
EXHIBIT "A"

Land initially Submitted

ALL those certain lots, pieces or parcels of land situate, lying and being in the Town of Mount Pleasant, South Carolina, and shown and designated as Lots 1-23 inclusive, "Pond (HOA)" containing 0.960 acres, and "(HOA) Open Space" containing 0.601 acres, more or less, as shown and designated on a plat thereof entitled "A FINAL SUBDIVISION PLAT OF RIVER REACH OWNED BY REMLEY ASSOCIATES, LLC LOCATED IN THE TOWN OF MT. PLEASANT, CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Southeastern Surveying, Inc. dated December 6, 2001, last revised March 19, 2002, recorded in the RMC Office for Charleston County in Plat Book EF, at Pages 574 and 575; the said lots and parcels having such size, shape, dimensions, buttings and bindings as will by reference to said plat more fully appear.

TOGETHER with all rights-of-way and easements as shown and depicted on the aforesaid plat prepared by Southeastern Surveying, Inc., and all rights, licenses, riparian, littoral or other rights appurtenant to or associated with the property described above.
EXHIBIT "B"

Land Subject to Annexation

All other real property located within one (1) mile of the property described in Exhibit "A" which from time to time may be acquired by the Declarant and submitted to this Declaration in accordance with the terms and provisions hereof.

ALSO

All easements, rights, leasehold estates, licenses, riparian, littoral or other rights appurtenant to or associated with the property described above.