

5.3.5 Excepting Commercial Units and Development Unit Parcels. Anything contained herein to the contrary notwithstanding, access to and use of the Recreational Amenities shall be available only to Owners of Lots and Dwellings, and to persons designated by Declarant, and their respective family, guests, and Tenants, as herein provided, and shall not be available to Owners of Commercial Units or Development Unit Parcels.

5.4 Access, Ingress and Egress: Roadways. All Owners, by accepting title to property conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such property and acknowledge and agree that such access, ingress, and egress shall be limited to roads, sidewalks, walkways, trails, and waterways located within the Development from time to time, provided that pedestrian and vehicular access to and from all such property shall be provided at all times. There is reserved unto Declarant, the Association, and their respective successors and assigns the right and privilege, but not the obligation, (a) to maintain guarded or electronically-monitored gates controlling vehicular access to and from the Development, and, to require payment of toll charges for use of private roads within the Development by permitted commercial traffic or by members of the general public, provided that in no event shall any such tolls be applicable to any Owners or their families, Tenants, or guests or to those individuals designated by Declarant pursuant to Section 5.3 above and their families or guests, or to any person who gives reasonable evidence satisfactory to entry guards that their entry into the premises of the Owner is with the specific permission of the Owner, or his duly authorized agent. Neither the Declarant nor the Association shall be responsible, in the exercise of its reasonable judgment, for the granting or denial of access to the Property in accordance with the foregoing.

5.4.1 Uniform Act Regulating Traffic. In order to provide for safe and effective regulation of traffic, the Declarant reserves the right to file Of Record the appropriate consent documents making the Uniform Act Regulating Traffic on Highways of South Carolina (Chapter V, Title 56 of the Code of Laws of South Carolina, 1976) applicable to all of the private streets and roadways within the Development. Moreover, the Declarant may promulgate from time to time additional parking and traffic regulations which shall supplement the above-mentioned State regulations as it relates to conduct on, over and about the private streets and roadways in the Development. These supplemental regulations shall initially include but shall not be limited to those set out hereinafter and the Declarant reserves the right to adopt additional regulations or to modify previously promulgated regulations from time to time and to make such adoption or modification effective thirty (30) days after mailing notice of same in accordance with Section 13.16<sup>49</sup> to the record Owners within the Development as of January 1 of the year in which such regulations are promulgated:

(a) No motorcycles or motorbikes may be operated on the private roads and streets within the Development. Mopeds (or other motor-powered bicycles) with no more than one-horse power may be operated so long as they abide by all other traffic regulations and so long as they are not required to be registered by the State of South Carolina.

(b) The Declarant, or the Association after title to any private streets and roadways has passed to it from the Declarant, may post "no parking" signs along such private streets and roadways within the Development where it, in its sole discretion, determines appropriate to do so. Violators of said

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"no parking" signs are subject to having their vehicles towed away and shall be required to pay the cost of such towing and storage before their vehicle may be recovered. The act of towing said vehicles shall not be deemed a trespass or a violation of the Owners' property rights, because the Owner shall be deemed to have consented to such action by accepting the right to use the private roads and streets within the Development.

5.4.2 Public Roadways Within Development. The Declarant reserves the right to dedicate any portion of the roadways within the Development not otherwise denominated to be Common Areas to the State of South Carolina or any political subdivision thereof for the purpose of granting public access thereto and over said roadway. The Declarant further reserves the right to impose upon the Association the requirement of maintaining any such dedicated roadway until such time as the roadway is brought up to standards acceptable to such public body and maintenance thereof is assumed by such public body; provided, however, Declarant may, in its sole discretion, reserve an easement over any such public roadway to be primarily maintained by such public body for the purpose of doing additional maintenance to said public streets and roads and to maintain landscaping along the unpaved rights-of-way thereof, and thereafter denominate in a Site Plan or Supplemental Declaration that said easement shall constitute Common Areas of the Development to be maintained by the Association. The Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 11.5.1<sup>50</sup> hereof, in an amount sufficient to provide funds required to bring any roadway up to standards acceptable to any public body for the assumption by it of maintenance of said roadway.

5.5 Easements for Declarant. During the period that Declarant owns any of the Property for sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, Declarant shall have an alienable and transferable right and easement on, over, through, under, and across the Common Areas for the purpose of constructing improvements in and to the Lots, Neighborhood Areas, Multi-Family Tracts, Commercial Sites, Development Unit Parcels, Unsubdivided Land, and the Additional Property and for installing, maintaining, repairing and replacing such other improvements to the Property (including the 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 by Article 2<sup>51</sup>, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided in no event shall Declarant have the obligation to do any of the foregoing.

5.6 Changes in Boundaries: Additions to Common Areas. Declarant expressly reserves for itself and its successors and assigns, the right to change and realign the boundaries of the Common Areas and any Lots, Dwellings, Neighborhood Areas, Multi-Family Tracts, Commercial Sites, Commercial Units, Development Unit Parcels and/or Unsubdivided Land between such adjacent properties owned by Declarant, provided that any such change or realignment of boundaries shall not materially decrease the acreage of the Common Areas and shall be evidenced by a revision of or an addition to the Site Plan which shall be filed Of Record. 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

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<sup>50</sup> See page 55.

<sup>51</sup> See page 8.

be conveyed to the Association as an addition to the Common Areas and subject to the provisions of Section 2.2<sup>52</sup>. Furthermore, Declarant reserves for itself, its affiliates, successors, and assigns the right, but shall not have the obligation, to convey by quit-claim deed to the Association at any time and from time to time, as an addition to the Common Areas any marsh lands owned by Declarant which are located adjacent and contiguous to the Development, and in accordance with the terms, conditions, restrictions and easements set forth in Article 3<sup>53</sup>.

5.7 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 public authority or agency, public service district, public or private utility, or other person, upon, over, under, and across (a) all of the Common Areas in accordance with this Declaration; (b) all portions of the Recreational Amenities in which improvements are not constructed or erected; (c) all portions of the Neighborhood Areas and in which Dwellings are not constructed or erected; (d) all portions of the Commercial Sites in which Commercial Units are not constructed; (e) those strips of land, ten (10') feet in width, running adjacent to and parallel with the front and rear lines of Lots, and fifteen (15') feet in width running seven and one-half (7½') feet on either side of the side lot line of each Lot, not to conflict with any drainage easements thereon, and as further shown on the Site Plan; and (f) such other such easement areas shown on any Site Plan or recited in any Supplemental Declaration 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 Declarant, its successors or assigns, or by the Board of Directors, provided, however, that for so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1<sup>54</sup> and 13.1<sup>55</sup>, the Board of Directors must obtain the written consent of Declarant prior to granting and accepting any such easements. To the extent practical, in Declarant's sole discretion, all utility lines and facilities serving the Development 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 Development 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 reasonable necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

5.8 Easement for Walks, Trails, and Signs. 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 upon, over and across (a) all portions of the Neighborhood Areas in which Dwellings are not

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<sup>52</sup> See page 8.

<sup>53</sup> See page 12.

<sup>54</sup> See page 45.

<sup>55</sup> See page 60.

constructed or erected, (b) all portions of the Commercial Sites in which Commercial Units are not constructed, (c) all portions of the Common Areas in which improvements are not constructed or erected, and (d) all areas shown and noted on any Site Plan or described in any Supplemental Declaration for the installation maintenance, and use of sidewalks, leisure trails, bike paths, traffic directional signs, and related improvements.

5.9 Easements for Association. There is hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot, Dwelling, Neighborhood Area, Multi-Family Tract, Commercial Site, Commercial Unit, or Development Unit Parcel 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 and with permission of the Owner directly affected thereby.

5.10 Easements for Additional Property. There is hereby reserved in Declarant, and its successors, assigns, and successors-in-title to the Additional Property, for the benefit of and as an appurtenance to the Additional Property and as a burden upon the Property, perpetual, non-exclusive rights and easements for (a) pedestrian, vehicular, and boating access, ingress, egress, parking, and docking over, across, within, and on all private roads, sidewalks, trails, parking facilities, and lagoons, from time to time located within the Common Areas or within easements serving the Common Areas, (b) the installation, maintenance, repair, replacement, and use within the Common Areas, and those portions of properties encumbered pursuant to Section 5.7<sup>56</sup> 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 (c) drainage and discharge of surface water onto and across the Property, provided that such drainage and discharge shall not materially damage or affect the Development or any improvements located thereon. Furthermore, in the event that the Additional Property or any portion or portions thereof are not added to the Development, then owners of residential units located therein shall also have, and there is hereby reserved for their benefit and as an appurtenance to their respective residential units, the perpetual, non-exclusive right and easement of access to and use and enjoyment of all of the Recreational Amenities, on a basis which is equal and equivalent to that enjoyed by Owners; provided, however, that as a condition precedent to the use of the Recreational Amenities by any such owner of a residential unit within any portion of the Additional Property not so added to the Development, such owner shall pay the Association Annual Assessments for the use of the Recreational Amenities, with such Annual Assessments to be calculated on the basis of an equitable proration among the Owners and those owners of residential units in such portions of the Additional Property who use the Recreational Amenities of those Common Expenses which are attributable to the maintenance, repair, replacement, and operation of the Recreational Amenities. Families, Tenants, and guests of such owners within such portions of the Additional Property who pay such Assessments shall also have access to and use of the Recreational Amenities on an equal and equivalent basis as that enjoyed by families, Tenants, and guests of Owners, respectively.

5.11 Maintenance Easement. 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 to enter upon any property subject to this Declaration for the purpose of providing insect and reptile control, 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 Development, provided that such easements shall not impose any duty or obligation upon Declarant or the Association to perform any such actions, or to provide garbage or trash removal services. Furthermore, it 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, but not the obligation, to enter upon any unimproved portions of properties subject to this Declaration which are located within fifteen (15') feet from the water's edge of any lagoon, pond or other body of water within the Development for the purpose of (a) mowing such area and keeping the same clear and free from unsightly growth and trash, (b) maintaining such bodies of water, such maintenance to include, without limitation, dredging and the maintenance of reasonable water quality standards, and (c) installing, constructing, repairing, replacing, and maintaining docks and bulkheads, provided that the foregoing reservation of easements should not be deemed to and shall not in any way limit the responsibility therefor by Owners under Section 7.1<sup>57</sup> hereof. The costs thereof incurred as a result of the action or inaction of any Owner shall be paid by such Owner.

5.12 Environmental Easement. 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 on, over, and across all unimproved portions of properties subject to this Declaration for the purpose 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, the Architectural Review Board, 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.

5.13 Wells and Effluent. There is hereby reserved for the benefit of Declarant, the Association, and their respective affiliates, agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement (a) to pump water from lagoons, ponds, and other bodies of water located within the Development for the purpose of irrigating any portions of the Development, (b) 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, or (c) to spray or locate any treated sewage effluent within the Common Areas, or upon any Lot or upon unimproved portions of any other property subject to this Declaration, with the permission of the appropriate Owner.

5.14 Encroachments for Docks. There shall exist valid and perpetual easements, appurtenant to any Lot, Dwelling, or Neighborhood Area located adjacent to any lagoons, ponds, creeks or rivers from time to time located within the Development, for the encroachment of docks, wharves, bulkheads, boat slips, and for the maintenance, repair, and replacement thereof for so long as such encroachment exists, provided that the location of such docks, wharves, bulkheads, and boat slips, and boathouses shall be subject to the prior

approval of the Architectural Review Board pursuant to Article 4<sup>58</sup> and in accordance with the specific provisions of Article 3<sup>59</sup>.

5.15 No Partition. There shall be no judicial partition of the Development or any part thereof, nor shall any person acquiring any interest in the Development or any part thereof seek any such judicial partition unless the Development has been removed from the provisions of this Declaration.

## ARTICLE 6. MEMBERSHIP

6.1 Membership. Every Owner, including the Declarant, of a Lot, Dwelling, Commercial Site, Commercial Unit, Multi-Family Tract, Development Unit Parcel and Unsubdivided Land shall be a Member of the Association. A Neighborhood Association or Commercial Association shall not have any membership in the Association as a result of being the Owner of any property subject to this Declaration as common properties or common elements of any such association of the Owners of the Lots or Dwellings or the Commercial Units, as the case may be. Membership shall be appurtenant to and may not be separated from ownership of any Lot, Dwelling, Commercial Site, Commercial Unit, Multi-Family Tract, Development Unit Parcel, or Unsubdivided Land and ownership of a Lot, Dwelling, Commercial Site, Commercial Unit, Multi-Family Tract, Development Unit Parcel, or Unsubdivided Land shall be the sole qualification for such membership. In the event that fee title to a Lot, Dwelling, Commercial Site, Commercial Unit, Multi-Family Tract, Development Unit Parcel, or Unsubdivided Land is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include Mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association.

6.2 Voting Rights. The Association shall have seven types of voting memberships which are as follows:

TYPE A: Type A Members shall be Owners (including the Declarant) of Lots and Dwellings. A Type A Member shall be entitled to one (1) vote for each Lot or Dwelling owned.

TYPE B: Type B Members shall be Owners (including the Declarant) of Commercial Sites. No specific number of votes is reserved hereunder for Commercial Sites, there being none at the date hereof. The number of votes for each Commercial Site owned by an Owner shall be that number as shall be set forth in a Supplemental Declaration upon the designation of any of the Additional Property as a Commercial Site.

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<sup>58</sup> See page 13.

<sup>59</sup> See page 12.

- TYPE C:** Type C Members shall be the Owners (including the Declarant) of Commercial Units. No specific number of votes is reserved hereunder for Commercial Units, there being none at the date hereof. The number of votes for each Commercial Unit owned by an Owner shall be that number as shall be set forth in a Supplemental Declaration upon the designation of any of the Additional Property as a Commercial Site.
- TYPE D:** Type D Members shall be the Owners (including the Declarant) of Multi-Family Tracts. No specific number of votes is reserved hereunder for Multi-Family Tracts, there being none at the date hereof. The number of votes for each Multi-Family Tract owned by an Owner shall be that number as shall be set forth in a Supplemental Declaration upon the designation of any of the Additional Property as a Multi-Family Tract.
- TYPE E:** Type E Members shall be the Owners of Development Unit Parcels. No specific number of votes is reserved hereunder for Development Unit Parcels, there being none at the date hereof. The number of votes for each Development Unit Parcel owned by an Owner shall be that number as shall be set forth in a Supplemental Declaration upon the designation of any of the Additional Property as a Development Unit Parcel.
- TYPE F:** The Type F Member shall be the Declarant or its successors and assigns as Owner of Unsubdivided Land. No specific number of votes is reserved hereunder for Unsubdivided Lands, there being none at the date hereof. The number of votes for each piece, parcel or tract constituting Unsubdivided Land, and which is not contiguous to another such piece, parcel or tract, owned by the Declarant shall be that number as shall be set forth in a Supplemental Declaration upon the designation of any of the Additional Property as an Unsubdivided Land.
- TYPE G:** The Type G Member shall be the Declarant or its designated assign. The Type G Member shall be entitled to one (1) vote for each vote held by Type A, B, C, D, E and F Members, plus one (1) vote, until the first of the following dates: (i) December 31, 2010; (ii) the date on which Declarant's right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1<sup>60</sup> and 13.1<sup>61</sup> is terminated; or (iii) the date the Type G Member relinquishes its voting rights as a Type G Member in a Supplemental Declaration filed Of Record. Thereafter, the Type G Member shall exercise votes only as to its Type A, B, C, D, E, and F Memberships.

Payment of Special Assessments or Emergency Special Assessments shall not entitle Type A, B, C, D, E and F Members to additional votes.

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<sup>60</sup> See Page 45.

<sup>61</sup> See Page 60.

6.2.1 Voting By Multiple Owners. When any property of a Type A, B, C, D, E or F Member of the Association is owned Of Record in the name of two or more persons or entities, whether fiduciaries, or in any manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the secretary of the Association, their acts with respect to voting shall have the following effect:

- (a) If only one votes, in person or by proxy, his act shall bind all;
- (b) If more than one vote, in person or by proxy, the act of the majority so voting shall bind all;
- (c) If more than one vote, in person or by proxy, but the vote is evenly split on any particular matter, the holders of the fractions shall determine among themselves as to how the vote or votes will be cast. No fractional voting will be allowed;
- (d) If the instrument or order filed with the secretary of the Association shows that any such tenancy is held in unequal interest, a majority or even split under subparagraph 2 and 3 immediately above shall be a majority or even split in interest in the property to which the vote(s) is attributable; and
- (e) The principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

6.3 Governance. The Association shall be governed by a Board of Directors consisting of Three (3), Five (5), Seven (7), Nine (9), or Eleven (11) members. Initially, the Board shall consist of Three (3) members, with the number in subsequent years to be determined by the members of the Board of Directors as provided for in the By-laws of the Association.

6.4 Election of the Board of Directors. Each Member of Types A, B, C, D, E, F and G membership classes shall be entitled to as many votes as equals the number of votes he is entitled to, based on his ownership of one or more of the various classifications of property or property interests as computed by the formula set out hereinabove in Section 6.2. All votes must be cast in whole numbers and not fractions thereof. Members are divided into classes for the sole purpose of computing voting rights and shall not vote as a class.

6.5 Special Meetings of Members. Where specifically provided for herein, or on call of the Board of Directors or the person authorized to do so by the Bylaws, the Association shall hold special meetings of Members to approve or reject such actions proposed to be taken by the Association. The Association shall notify the Members of the date, time and place of such special meeting no fewer than ten (10) not more than sixty (60) days before the meeting date. Such notice shall include a description of the purpose for which the meeting is called and shall provide for voting by proxy.

6.6 Quorum For Meetings. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association shall be as follows:

(a) At any meeting, the presence of Members representing one-third (1/3) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business; provided, however, if the required quorum is not present, another meeting may be called, not earlier than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and entitled to vote. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 6.6, and any other requirements for such duly called meeting which may be established by the Bylaws of the Association. This provision shall not apply when the proposed action is the amendment of this Declaration and the quorum requirement established by Section 13.3<sup>62</sup> shall govern in that instance.

6.6.1 Notice of Meetings. Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to each Member either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid, to his address appearing on the books of the Association. Each Member shall register his address with the Secretary and notices of meetings shall be mailed to such address. Notice of any meeting, regular or special, shall be mailed not more than sixty (60) days, and not fewer than ten (10) days in advance of the meeting and shall set forth the date, time and place of the meeting and in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve and be governed by this Declaration or any action for which other provision is made in the Bylaws, notice of such meeting shall be given or sent as herein or therein provided.

6.7 Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing, and in accordance with the By-Laws. Notwithstanding the foregoing, Members shall irrevocably appoint Declarant as their attorney-in-fact pursuant to Section 13.1.1<sup>63</sup> herein to vote on those matters reserved to and designated for Declarant, as set forth in that Section.

6.8 Voting By Proxy. When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association, a statement of certain motions to be introduced for vote of the Members and a ballot in the form of a proxy on which each Member may, subject to Section 13.1.1<sup>64</sup> herein, vote for or against the motion. Each proxy which is presented at such meeting shall be counted in calculating the quorum requirements set out in Section 6.6. Provided, however, such proxies shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the proxy.

## ARTICLE 7. MAINTENANCE

7.1 Responsibilities of Owners and Neighborhood and Commercial Associations. Unless specifically identified herein or in a Neighborhood Declaration or Commercial Declaration as being the responsibility of the Association or a Neighborhood Association or Commercial Association, all maintenance and repair of Lots, Dwellings, Multi-Family Tracts, Commercial Sites, Commercial Units,

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<sup>62</sup> See page 61.

<sup>63</sup> See Page 60.

<sup>64</sup> See Page 60.

Development Unit Parcels, or the marsh and waterfront property adjacent to any such property, together with all other improvements thereon or therein and all lawns, landscaping, and grounds on and within such property shall be the responsibility of the Owner thereof. Unless otherwise provided in the appropriate Neighborhood Declaration or Commercial Declaration, the maintenance and repair of all common areas or common elements of the Neighborhood Association or Commercial Association (including all landscaping and grounds and all recreational facilities and other improvements thereof) shall be the responsibility of the Neighborhood Association or Commercial Association, as the case may be. Each Owner, Neighborhood Association and Commercial Association shall be responsible for maintaining his or its property in a neat, clean, and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all Dwellings, Commercial Units, buildings, and other structures and all lawns, trees, shrubs, hedges, grass, and other landscaping. Furthermore, all docks, wharves, bulkheads, or boat slips appurtenant to or located within such property or the marsh and waterfront property adjacent thereto, or within any property of a Neighborhood Association or Commercial Association shall be maintained by the Owner of such property, so that such structures are in good repair and are clean and orderly in appearance at all times, and all wood, concrete, or metal located above the high water mark, exclusive of pilings, shall be painted or otherwise treated with preservatives in an attractive manner. As provided in Section 7.2.2<sup>65</sup> hereof, each Owner, Neighborhood Association and Commercial Association shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner, Neighborhood Association or Commercial Association, but which responsibility such Owner, Neighborhood Association or Commercial Association fails or refuses to discharge. No Owner, Neighborhood Association or Commercial Association shall (i) decorate, change, or otherwise alter the appearance of any portion of the exterior of a Dwelling, Commercial Unit, building or other structure, or the landscaping, grounds, or other improvements within his or its property unless such decoration, change, or alteration is first approved, in writing, by the Architectural Review Board as provided in Article 4<sup>66</sup> hereof, or (ii) do any work which, in the reasonable opinion of the Architectural Review Board, would jeopardize the soundness and safety of the Development, reduce the value thereof, or impair any easement or hereditament thereto, without in every such case obtaining the written approval of the Architectural Review Board and the Owners, and the Mortgagees of property directly affected thereby or benefitting from such easement or hereditament.

## 7.2 Association's Responsibility.

7.2.1 General. Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, and any other easement area encumbering properties of Owners for which the Association is responsible under this Declaration, including responsibility prior to transfer to the Association in accordance with Section 2.3<sup>67</sup>, or any Supplemental Declaration, which responsibility shall include the maintenance, repair, and replacement of (a) the Recreational Amenities, (b) all private roads, road shoulders, walks, trails, harbors, lagoons, ponds, parking lots, landscaped areas, and other improvements situated within the Common Areas or easements, (c) security

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<sup>65</sup> See page 40.

<sup>66</sup> See page 13.

<sup>67</sup> See Page 9.

systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of its said properties and which are not maintained by a public authority, public service district, public or private utility, or other person, and (d) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within or upon its said properties. The Association shall not be liable for injury or damage to any person or property (i) caused by the elements or by any Owner or any other person, (ii) resulting from any rain or other surface water which may leak or flow from any portion of its properties, or (iii) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of its properties or any other portion of the Property. No diminution or abatement of Assessments or Recreational Charges shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such Assessments and Recreational Charges being a separate and independent covenant on the part of each Owner.

7.2.2 Work In Behalf of Owners. In the event that Declarant or the Board of Directors determines that: (a) any Owner has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, or (b) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, Tenants, guests, or invitees, and is not covered or paid for by insurance in whole or in part, then, in either event, Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice in accordance with Section 13.16<sup>68</sup> of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15)-day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner and said cost shall be added to and become a part of the Assessment to which such Owner and his property are subject and shall become a lien against such property, or, in the case of a Neighborhood Association or Commercial Association, shall be added to and become a part of the Assessments for all Owners of Lots, Dwellings or Commercial Units, as the case may be. In the event that Declarant undertakes such maintenance, cleaning, repair, or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

## ARTICLE 8. INSURANCE AND CASUALTY LOSSES

### 8.1 Insurance.

8.1.1 Association's Property Insurance. The Board of Directors or its duly authorized agents shall have the authority to and shall obtain and continue in effect adequate property insurance, in such form as the Board deems appropriate, for the benefit of the Association and insuring all insurable improvements in and to the Common Areas against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard.

8.1.2 Association's Liability Insurance. The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Common Areas and all damage or injury caused by the negligence of the Association, its Members, its directors and officers, or any of its agents. Such public liability policy shall provide such coverages as are determined to be necessary by the Board of Directors.

8.1.3 Association's Other Insurance. The Board or its duly authorized agents shall have the authority and may obtain (a) worker's compensation insurance to the extent necessary to comply with any applicable laws and (b) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.

8.1.4 Association's Policies. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for each of the Owners and costs of all such coverage shall be a Common Expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Development shall be vested in the Board of Directors; provided, however, that no mortgagee or other security holder of the Common Areas having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto. Insofar as permitted by law, the Association shall be required to make every effort to secure insurance policies with the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in the State of South Carolina and holding a rating of A-XI or better in such financial categories as established by Best's Insurance Reports, if such a company is available or, if not available, its equivalent rating or the best rating possible.

(b) All property insurance policies shall be for the benefit of the Owners and their Mortgagees as their interests may appear.

(c) All policies shall contain a waiver of the insurer's right to cancel without first giving thirty (30) days' prior written notice of such cancellation to the Association and to any Mortgagee to which a mortgagee endorsement has been issued.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees, and all policies shall contain a provision that the "other insurance" clauses in such policies exclude from consideration policies obtained by individual Owners or their Mortgagees.

(e) All policies shall contain a waiver of subrogation by the insurer as to any claims against the Association, the Association's directors and officers, the Owners, and their respective families, servants, agents, Tenants, guests, and invitees, including, without limitation, the Association's manager.

(f) All policies shall contain a provision that no policy may be cancelled, invalidated, or suspended on account of the conduct of one or more of the individual Owners, or their respective families, servants, agents, employees, Tenants, guests, and invitees, or on account of the acts of any director, officer, employee, or agent of the Association or of its manager, without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(g) All liability insurance shall contain cross-liability endorsements to cover liability of the Association to an individual Owner.

8.1.5 Owner's Insurance. It shall be the individual responsibility of each Owner at his own expense to provide, as he sees fit, public liability, property damage, title, and other insurance with respect to his or its own property. The Board of Directors may require all Owners to carry public liability and property damage insurance with respect to their respective properties and to furnish copies or certificates thereof to the Association.

8.2 Damage or Destruction to Common Areas. Immediately after the damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Article 8, means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the fire or other casualty. Unless within sixty (60) days following any damage or destruction to all or a part of the Common Areas, Declarant, for so long as Declarant owns any of the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, and the Board acting on the vote of at least seventy-five percent (75%) of the vote of the Members present, in person or by proxy, and entitled to vote at a duly called meeting of the Members, shall otherwise agree, the Association shall restore or replace such damaged improvements. If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 11.5.1<sup>69</sup> hereof, such Special Assessment to be

in an amount sufficient to provide funds to pay such excess cost or repair or reconstruction. Such a Special Assessment shall be levied against the Owners equally in the same manner as Annual Assessments are levied, and additional Assessments may be made at any time during or following the completion of any repair or reconstruction. Any and all sums paid to the Association under and by virtue of such Assessments shall be held by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds and Assessments shall be disbursed by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board of Directors. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the Association. If it is determined that the damage or destruction for which the insurance proceeds are paid shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association, and the ruins of the Common Areas damaged or destroyed by fire or other casualty shall be cleared and the Common Areas left in a clean, orderly, safe, and sightly condition.

8.3 Damage or Destruction to Owners' Properties. In the event of damage or destruction by fire or other casualty to any property subject to this Declaration, or the improvements thereon, and in the further event that the Owner responsible for the repair and replacement of such property elects not to repair or rebuild, such Owner shall promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such property in a clean, orderly, safe, and sightly condition. Should such Owner elect to repair or rebuild such property or other improvements thereon, such Owner shall repair or rebuild to substantially the same condition as existed prior to such fire or other casualty and in accordance with all applicable standards, restrictions, and provision of this Declaration (including, without limitation, Article 4<sup>70</sup>) and all applicable zoning, subdivision, building, and other governmental regulations. All such work or repair or construction shall be commenced promptly following such damage or destruction and shall be carried through diligently to conclusion.

## ARTICLE 9. CONDEMNATION

9.1 Condemnation of Common Areas. Whenever all or any part of the Common Areas of the Development shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Board acting on the affirmative vote of seventy-five percent (75%) of the votes cast by Members present, in person or by proxy, and entitled to vote at a duly called meeting of the Members, and of Declarant, for so long as Declarant owns any of the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the award or proceeds made or collected for such taking or sale in lieu thereof shall be payable to the Association and shall be disbursed or held as follows:

9.1.1 Common Areas With Improvements. If the taking or sale in lieu thereof involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant, for so long as Declarant owns any of the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, and the Board, acting on the vote of seventy-five percent (75%) of the votes cast by the Members present, in person or by proxy, and entitled to vote at a duly called meeting of the Members, shall

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See page 13.

otherwise agree, the Association shall restore or replace such improvements so taken, to the extent practicable, on the remaining lands included in the Common Areas which are available therefore, in accordance with the plans approved by the Board of Directors, the Architectural Review Board, and by Declarant, for so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1<sup>71</sup> and 13.1<sup>72</sup>. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 11.5<sup>73</sup>, such Special Assessment to be in an amount sufficient to provide funds to pay such excess cost or repair or reconstruction. Such a Special Assessment shall be levied against the Owners equally in the same manner as Annual Assessments are levied, and additional Special Assessments may be made at any time during or following the completion of any repair or reconstruction. If such improvements are not to be repaired or restored, the award or proceeds shall be retained by and for the benefit of the Association.

9.1.2 Common Areas Without Improvements. If the taking or sale in lieu thereof does not involve any improvements to the Common Areas, or if there are net funds remaining after any such restoration or replacement of such improvements is completed, then such award, proceeds, or net funds shall be retained by and for the benefit of the Association.

9.1.3 Including Owner's Property. If the taking or sale in lieu thereof includes all or any part of an Owner's property and also includes any part of the Common Areas, then a court of competent jurisdiction shall apportion such award or proceeds and such award or proceeds shall be disbursed to the Association and the Owners so affected so as to give just compensation to the Owners for their interest in such property; provided, however, such apportionment may instead be resolved by the agreement of (i) the Board of Directors, (ii) the Owners of all properties wholly or partially taken or sold, together with the Mortgagees for each such property, and (iii) Declarant, for so long as Declarant owns any of the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

9.2 Condemnation of Owners' Properties.

9.2.1 Election Not To Restore. In the event that all or any part of a property subject to this Declaration, or any improvements thereon is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and in the further event that the Owner of such property responsible for the maintenance and repair thereof elects not to restore the remainder of such property, then the Owner making such election shall promptly clear away any remaining improvements damaged or destroyed by such taking or conveyance and shall leave such property and any remaining undamaged improvements thereon in a clean, orderly, safe, and sightly condition. In addition, if the size or configuration of such property remaining after such taking or conveyance is insufficient to permit the

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71 See page 45.

72 See page 60.

73 See page 55.

restoration of the remaining improvements thereon or therein to their condition prior to such taking or conveyance in compliance with all applicable standards, restrictions, and provision of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations, then such Owner shall have the option, after clearing away all remaining improvements or portions thereof and placing the remainder in a clean, orderly, safe, and sightly condition referred to above, of deeding the remaining portion of the property to the Association as a part of the Common Areas, and thereafter any such Owner shall not have any further voting rights or membership rights or privileges in the Association or with respect to the Development and shall not be subject to any further Assessments imposed by the Association and payable after the date of such deeding and attributable to such property deeded to the Association.

9.2.2 Election to Restore. In the event that any part of a property subject to this Declaration, or any improvements thereon, is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and if the Owner of such property responsible for the maintenance and repair of property elects to restore the remainder thereof such Owner making such election shall restore such remainder thereof as nearly as practicable to the same condition it was in prior to such taking or conveyance and in accordance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations. All such work of restoration shall be commenced promptly following such taking or conveyance and shall be carried through diligently to conclusion.

## ARTICLE 10. FUNCTIONS OF THE ASSOCIATION

10.1 Board of Directors and Officers. The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of the Act, this Declaration, the By-Laws, or the Articles of Incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Owners. As provided in Section 13.1<sup>74</sup> hereof and notwithstanding any other provision to the contrary contained in any instruments evidencing or establishing the Development, Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following dates: (i) December 31, 2010; (ii) the date on which Declarant has conveyed to Owners other than Declarant property representing ninety (90%) percent of the total number of Lots, Dwellings and Commercial Units Intended for Use on all of the Property as set forth in a Supplemental Declaration, making specific reference to this Section; or (iii) the date the Declarant surrenders the authority to appoint and remove directors and officers of the Association by an express amendment to this Declaration executed and filed Of Record by Declarant. Each Owner, by acceptance of a deed to or other conveyance

of a Lot or Dwelling, vests in Declarant such authority to appoint and remove directors and officers of the Association as provided by this Section 10.1 and by Section 13.1<sup>75</sup> hereof.

10.2 Duties and Powers. The duties and powers of the Association shall be those set forth in the provision of the Act, this Declaration, the By-Laws, and the Articles of Incorporation, together with those reasonably implied to effect the purposes of the Association; provided; however, that if there are conflicts or inconsistencies between the Act, this Declaration, the By-Laws, or the Articles of Incorporation, the provisions of the Act, this Declaration, the Articles of Incorporation, and the By-Laws, in that order, shall prevail, and each Owner of a property within the Development, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, together with every other right or privilege reasonable to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Such powers of the Association shall include, but shall not be limited to, the power to purchase one or more properties subject to this Declaration and to hold, lease, mortgage, sell, and convey the same. Such duties may include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a Common Expense or by billing directly to the Owners, to furnish trash collections, water, sewer, and/or security service for the properties subject to this Declaration. Notwithstanding the foregoing provision of this Section 10.2 or any other provision of this Declaration to the contrary, for so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1<sup>76</sup> and 13.1<sup>77</sup>, the Association shall not, without the consent of Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Common Areas.

10.2.1 Ownership of Properties. The Association shall be authorized to own, purchase, lease, use under any use agreement, and maintain (subject to the requirements of any Federal, State or Local Governing body of South Carolina) Common Areas, equipment, furnishings, and improvements devoted to the uses and purposes expressed and implied in this Declaration, including, but not limited to, the following uses:

- (a) For sidewalks, walking paths or trails, bicycle paths, and bridle paths throughout the Property;
- (b) For transportation facilities throughout the Property other than privately owned automobiles, e.g. buses, electric vehicles, etc.
- (c) For security services including security stations, maintenance building and/or guardhouses;

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<sup>75</sup> See page 60.

<sup>76</sup> See page 45.

<sup>77</sup> See page 60.

(d) For providing any of the services which the Association is authorized to offer under Section 10.2.2 below;

(e) For purposes set out in deeds or long-term leases or use agreements by which Common Areas are conveyed or leased by which use rights are granted to the Association;

(f) For lakes, play fields, lagoons, waterways, drainage areas and easements, wildlife areas, fishing facilities;

(g) For water and sewage facilities and any other utilities, if not adequately provided by a private utility or public body; and

(h) For renourishment and installation and/or maintenance of any shore protection device, including, but not limited to, shore revetments and groins.

10.2.2 Services. The Association shall be authorized (unless prohibited by the requirements of any Federal, State or Local governing body) to provide such services as shall be required or would promote the uses and purposes for which the Association is formed as expressed or implied in this Declaration, including, but not limited to, the following services:

(a) Cleanup and maintenance of all private roads, roadways, road shoulders, roadway medians, parkways, lakes, lagoons, waterways, drainage areas and easements, marshes and Common Areas within the Property and also all public properties which are located within or in a reasonable proximity to the Property such that their deterioration would affect the appearance of the Property as a whole;

(b) Landscaping of sidewalks and walking paths and any Common Areas;

(c) Transportation facilities other than privately owned automobiles, e.g. buses, electric vehicles, etc.;

(d) Lighting of sidewalks and walking paths throughout the Property;

(e) Security provisions including, but not limited to, the employment of security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the Property and assistance to the local police and sheriff departments in the apprehension and prosecution of persons who violate the laws of South Carolina within the Property;

(f) 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;

(g) The services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this Declaration

and to collect regular Annual Assessments, Special Assessments, Emergency Special Assessment, Recreational Charges and other fees and charges collectable from the Owners hereunder;

- (h) To take any and all actions necessary to enforce these and all covenants and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Property;
- (i) To set up and operate an architectural review board in the event that the Association is assigned the Architectural Control function by the Declarant pursuant to Section 4.2.1<sup>78</sup>;
- (j) To conduct recreation, sport, craft, and cultural programs of interest to Members, their children and guests;
- (k) To provide legal and scientific resources for the improvement of air and water quality within the Property;
- (l) To provide safety equipment for storm emergencies;
- (m) To construct improvements on Common Areas for use for any of the purposes or as may be required to provide the services as authorized in this Section;
- (n) To provide administrative services including but not limited to legal, accounting and financial; and communications services informing Members of activities, notice of Meetings, Referendums, etc., incident to the above listed services;
- (o) To provide liability and hazard insurance covering improvements and activities on Common Areas;
- (p) To provide water, sewage, and any necessary utility services not provided by a public body, private utility or the Declarant;
- (q) To provide, conduct, or maintain water pollution and shoreline erosion abatement measures including, without limitation, maintenance and repair of shore revetments and groins;
- (r) To provide any or all of the above listed services to another association or Owners of real property under a contract, the terms of which must be approved by the Board of Directors; and
- (s) To provide for hearings and appeal process for violations of rules and regulations.

10.3 Agreements. Subject to the prior approval of Declarant for so long as Declarant has the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the

Association pursuant to Sections 10.1<sup>79</sup> and 13.1<sup>80</sup>, all agreements and determinations lawfully authorized by the Board of Directors shall be binding upon the Association and all Owners, their heirs, legal representatives, successors, and assigns, and all others having an interest in the Development or the privilege of possession and enjoyment of any part of the Development shall comply with and be subject to the authorized actions of the Board of Directors; and in performing its responsibilities hereunder, the Association, through its Board of Directors, shall have the authority to delegate to persons of its choice such duties of the Association as may be determined by the Board of Directors. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall deem necessary or desirable for the proper operation of the Development, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. All costs and expenses incident to the employment of a manager shall be a Common Expense. During the term of such management agreement, such manager may, if authorized by the Board of Directors, exercise all of the powers and shall be responsible for the performance of all the duties of the Association, excepting any of those powers or duties specifically and exclusively reserved to the directors, officers, or Members of the Association by this Declaration or the By-Laws. Such manager may be an individual, corporation, or other legal entity, as the Board of Directors shall determine, and may be bonded in such a manner as the Board of Directors may require, with the cost of acquiring any such bond to be a Common Expense. In addition, the Association may pay for, and the Board of Directors may hire and contract for, such legal and accounting services as are necessary or desirable in connection with the operation of the Development or the enforcement of this Declaration, the By-Laws, or the rules and regulations of the Association.

10.4 Mortgage or Pledge. Subject to the provisions of Section 5.2.1<sup>81</sup>, the Board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its authorized functions. The Declarant may make loans to the Association, subject to approval by the Declarant of the use to which such loan proceeds will be put and the terms pursuant to which such loans will be repaid. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the limits of the regular Annual Assessment at any time there are outstanding any amounts due the Declarant as repayment of any loans made by the Declarant to the Association.

10.5 Management Agreement. River Towne Limited Partnership or an affiliate may be employed as the manager of the Association and the Development for such period of time as Declarant has the right to appoint and remove officers and directors of the Association, with the option on the part of River Towne Limited Partnership or its affiliate to renew such employment for three (3) successive one-year terms from and after the termination of such appointment and removal right. Every grantee of any interest in the

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79      See page 45.

80      See page 60.

81      See page 27.

Development, by acceptance of a deed or other conveyance of such interest, shall be deemed to ratify such management agreement.

10.6 Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire and hold tangible and intangible personal property and real property and may dispose of the same by sale or otherwise. All funds received and title to all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring or selling the same, shall be held by and for the benefit of the Association. The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated, or transferred in any manner, except to the extent that a transfer of the ownership of a Lot or Dwelling also transfers the membership in the Association which is an appurtenance to such Lot or Dwelling.

10.7 Rules and Regulations. As provided in Article 12<sup>82</sup> hereof, the Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Lots, Dwellings, Commercial Units, Neighborhood Areas, Common Areas, which rules and regulations shall be consistent with the rights and duties established by this Declaration.

10.8 Reduction in Services. During the calendar years of 1995 and 1996, the Board of Directors of the Association shall define and list a minimum level of services which shall be furnished by the Association. So long as the Declarant is engaged in the development of properties which are subject to the terms of this Declaration, the Association shall not reduce the level of services it furnishes below such minimum level. Such minimum level of service shall expressly include an obligation of the Association to maintain the Common Areas and pay the costs and expenses set forth in any lease or use agreement therefor.

10.9 Obligation of the Association. The Association shall not be obligated to carry out or offer any of the functions and services specified by the provisions of this Article except as specified in Section 10.8 above. The functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Members of the Association. Special Assessments shall be submitted for approval as herein provided. Subject to the provisions of Section 10.8 above, and for so long as Declarant retains its voting rights as a Type G Member, the functions and services which the Association is authorized to carry out or to provide may be added or reduced at any time upon the affirmative vote of a majority of the votes cast by Members present, in person or by proxy, and entitled to vote at a duly called special meeting of the Members. At such time as Declarant no longer has voting rights as a Type G Member, pursuant to Section 6.2<sup>83</sup> herein, the functions and services which the Association is authorized to carry out or to provide may be added or reduced at any time upon the affirmative vote of two-thirds (2/3) of the votes cast by the Members present, in person or by proxy, and entitled to vote at a duly called meeting of the Members.

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<sup>82</sup> See page 58.

<sup>83</sup> See Page 35.

## ARTICLE 11. ASSESSMENTS

11.1 Purpose of Assessments. The Assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Development, and maintaining the Development and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors.

11.2 Creation of Lien and Personal Obligation of Assessments. Each Owner, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association: (a) Annual Assessments, such Assessments to be established and collected as provided in this Section 11.2, (b) Special Assessments, such Assessments to be established and collected as provided in Section 11.5<sup>84</sup>, (c) Emergency Special Assessments, such Assessments to be established and collected as provided in Section 11.6<sup>85</sup>, (d) individual or specific Assessments against any particular property which are established pursuant to the terms of this Declaration, including, but not limited to, fines as may be imposed against a property in accordance with Article 12<sup>86</sup> hereof. Any such Assessments and any Recreational Charges payable, together with late charges, simple interest at the rate of fifteen percent (15%) per annum, and court costs and attorneys' fees incurred to enforce or collect such Assessments or Recreational Charges, shall be an equitable charge and a continuing lien upon the property of the Owner thereof which is responsible for payment. Each Owner shall be personally liable for Assessments or Recreational Charges coming due while he is the Owner of a property, and his grantee shall take title to such property subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantee to recover from his grantor any amounts paid by such grantee therefor; provided, however, the lien for unpaid Assessments or Recreational Charges shall not apply to the holder of any Institutional Mortgage or to the holder of any Mortgage securing a loan made by Declarant, its affiliates, successors, or assigns, and who takes title to a Lot or Dwelling through foreclosure, or to any purchaser of such property through foreclosure. In the event of co-ownership of any property subject to this Declaration, all of such co-Owners shall be jointly and severally liable for the entire amount of such Assessments and Recreational Charges. Assessments and Recreational Charges shall be paid in such manner and on such dates as may be fixed by the Board of Directors in accordance with Section 11.3.5<sup>87</sup>, provided that unless otherwise provided by the Board, the Annual Assessments shall be paid in equal monthly installments.

11.3 Establishment of Annual Assessment. It shall be the duty of the Board of Directors at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The Board shall cause the budget and the proposed

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<sup>84</sup> See page 55.

<sup>85</sup> See page 56.

<sup>86</sup> See page 58.

<sup>87</sup> See Page 53.

total of the Annual Assessments to be levied against properties subject to this Declaration for the following year to be delivered to each Owner at least fifteen (15) days prior to such meeting. The total Annual Assessments shall be divided among the said properties as follows:

(a) Each Lot shall be subject to the same Annual Assessments as a Dwelling Unit.

(b) Each other type of property provided under this Declaration shall bear an Assessment equal to that amount, or in accordance with a formula, set forth in a Supplemental Declaration hereto

11.3.1 Additional Property. Upon the addition of any Additional Property pursuant to Section 2.2<sup>88</sup>, such Additional Property shall be assessed or charged as hereinabove provided and on an equal basis with the then existing types of property subject to this Declaration. In such event, the Association's budget shall be accordingly revised by the Board of Directors, without the necessity of approval by the Owners, to include any Common Expenses related to such additional property.

11.3.2 Approval of Annual Assessments. The annual budget and Annual Assessments, as determined by the Board of Directors, as hereinabove provided, shall become effective unless disapproved by (a) the Declarant, so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1<sup>89</sup> and 13.1<sup>90</sup>, or (b) a majority of the votes cast, in person or by proxy, by Members entitled to vote at a duly called meeting. Notwithstanding the foregoing, in the event the proposed budget and Annual Assessments are not approved or the Board of Directors fails for any reason to determine the budget for the succeeding year and to set the Assessments, then and until such time as a budget and Annual Assessment shall have been determined as provided herein, the budget and Annual Assessments for the succeeding year shall be the Maximum Budget and Maximum Annual Assessments calculated in accordance with Section 11.4<sup>91</sup>.

11.3.3 Special Meeting to Increase. If the Board of Directors of the Association, by majority vote, determines that the important and essential functions of the Association will not be properly funded in any year by the Annual Assessment herein provided, it may call a special meeting of the Members in accordance with the provisions of Section 6.5<sup>92</sup> herein requesting approval of a specified increase in such Assessment. The proposed increased Assessment shall be levied upon the affirmative vote of two-thirds (2/3) of the votes cast by Members present, in person or by proxy, and entitled to vote at the special meeting. An increase in Annual Assessments in any year pursuant to a special meeting taken as aforesaid shall in no way affect Annual Assessments for subsequent years.

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88 See page 8.

89 See page 45.

90 See page 60.

91 See page 54.

92 See Page 37.

11.3.4 Initial Annual Assessments. The initial Annual Assessment for all Owners of Lots and Dwellings for the calendar year in which this Declaration is filed Of Record shall be Five Hundred Fifteen and No/100 (\$515.00) Dollars or Forty-two and 92/100 (\$42.92) Dollars per month, which sum shall cover the projected cost to the Association of the Master Association Assessment, and the costs and expenses of the Association set forth in the initial budget for the Development; provided, however, the Board of Directors may charge a lesser amount until such time as said improvements constituting Common Areas have been substantially completed.

11.3.5 Billing of Annual Assessments. The Annual Assessments may, in the sole discretion of the Board of Directors, be billed monthly, quarterly, semiannually or annually, and bills therefor shall be due and payable thirty (30) days from the date of mailing of same.

11.3.6 Rounding. All Annual Assessments charged by the Association shall be rounded off to the nearest dollar.

11.3.7 For Common Expenses. The Common Expenses to be funded by the Annual Assessments may include, but shall not necessarily be limited to, the following:

- (a) Assessments charged against the Association and Owners by the Master Association;
- (b) management fees and expenses of administration, including legal and accounting fees;
- (c) utility charges for utilities serving the Common Areas and charges for other common services for the Development, including trash collection and security services, if any such services or charges are provided or paid by the Association;
- (d) the cost of any policies of insurance purchased for the benefit of all the Owners and the Association as required or permitted by this Declaration, including fire, flood, and other hazard coverage, public liability coverage, and such other insurance coverage as the Board of Directors determines to be in the interests of the Association and the Owners;
- (e) the expenses of maintenance, operation, and repair of those portions of the Common Areas which are the responsibility of the Association under the provisions of this Declaration;
- (f) the expenses of maintenance, operation, and repair of other amenities and facilities serving the Development, the maintenance, operation, and repair of which the Board from time to time determines to be in the best interest of the Association;
- (g) the expenses of the Architectural Review Board, if the functions thereof are transferred and conveyed to the Association pursuant to Section 4.2.1<sup>93</sup>, which are not defrayed by plan review charges;

(h) ad valorem real and personal property taxes assessed and levied against the Common Areas;

(i) the expenses for conducting recreational, cultural, or other related programs for the benefit of the Owners and their families, Tenants, guests, and invitees;

(j) such other expenses as may be determined from time to time by the Board of Directors of the Association to be Common Expenses, including, without limitation, taxes and governmental charges not separately assessed against Lots, Dwellings, or Neighborhood Areas; and

(k) the establishment and maintenance of a reasonable reserve fund or funds (i) for maintenance, repair, and replacement of those portions of the Common Areas which are the responsibility of the Association and which must be maintained, repaired, or replaced on a periodic basis, (ii) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds, and (iii) to cover unforeseen operating contingencies or deficiencies arising from unpaid Assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors.

11.3.8 Reserve Funds. The Association may establish reserve funds from its regular Annual Assessments to be held in reserve in an interest drawing account or investments as a reserve for (a) major rehabilitation or major repairs to Common Areas, (b) for emergency and other repairs required as a result of storm, fire, natural disaster, or other casualty loss, (c) recurring periodic maintenance, and (d) initial costs of any new service to be performed by the Association.

11.4 Determination of Maximum Budget and Maximum Annual Assessment. The Maximum Budget and Maximum Annual Assessments shall be the greater of:

(a) The budget and Annual Assessments for the then current year, increased in proportion to the percentage increase, if any, for the then current year, in the "CPI-U," as hereinafter defined, from December of the preceding year to November of the then current year in which the said maximum budget and Annual Assessment is being determined, or by five (5%) percent, whichever is greater; or

(b) The budget and Annual Assessments for the year in which this Declaration is filed Of Record increased, to the year in which the said maximum budget and Annual Assessment is being determined in proportion to the percentage increase, if any, in the "CPI-U," as hereinafter defined, from December of the year preceding the year in which this Declaration is filed Of Record to November of the year in which the said maximum budget and Annual Assessment is being determined, or by five (5%) percent per annum, compounded, whichever is greater.

The "CPI-U" shall mean the Consumer Price Index for All Urban Consumers (1982-84=100), or, if such index is discontinued or revised, by reference to such other government index or computation with which it is replaced or which would produce substantially the same measure as would be obtained if such index had not been discontinued or revised.

11.4.1 Change in Maximum Amounts Upon Merger or Consolidation. The limitations of Section 11.4 shall apply to any merger or consolidation in which the Association is authorized to participate under Section 2.2.3<sup>94</sup>, and under the Bylaws of the Association.

11.5 Special Assessments for Improvements and Additions. In addition to the regular, Annual Assessments authorized by Section 11.3 hereof, the Association may levy Special Assessments, for the following purposes:

- (a) Construction or reconstruction, repair or replacement of capital improvements upon the Common Areas, including the necessary fixtures and personal property related thereto;
- (b) To provide for the necessary facilities and equipment to offer the services authorized herein;
- (c) To repay any loan made to the Association to enable it to perform the duties and functions authorized herein.

11.5.1 Approval of Special Assessments. Except as otherwise permitted in Sections 5.4.2<sup>95</sup>, 8.2<sup>96</sup>, 9.1<sup>97</sup> and 11.6 hereof, any Special Assessment shall be approved by (i) Declarant, for so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1<sup>98</sup> and 13.1<sup>99</sup>, and (ii) thereafter by two-thirds (2/3) of the votes cast by Members in person or by proxy, and entitled to vote at a special meeting of the Members called for that purpose in accordance with the provisions of Section 6.5<sup>100</sup> herein. The notice of such special meeting shall include one statement from the Directors favoring the Special Assessment and one statement from those Directors opposing the Special Assessment containing the reasons for those Directors' support and opposition for the Assessment. Neither statement shall exceed five pages in length.

11.5.2 Interpretation: Maximum Special Assessment. This provision shall be interpreted to mean that the Association may make in any one year an Annual Assessment as set forth in Section 11.3 plus an additional Special Assessment. Such Special Assessment in any one year may not exceed a sum equal to the amount of the Maximum Annual Assessment, as calculated in accordance with Section 11.4 for

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<sup>94</sup> See page 9.

<sup>95</sup> See page 31.

<sup>96</sup> See page 42.

<sup>97</sup> See page 43.

<sup>98</sup> See page 45.

<sup>99</sup> See page 60.

<sup>100</sup> See Page 37.

such year. The fact that the Association has made an Annual Assessment for an amount up to the permitted Maximum Annual Assessment shall not affect its right to make a Special Assessment during the year.

11.5.3 Apportionment. The proportion of each Special Assessment to be paid by the Owners of the various classifications of assessable property shall be equal to the proportion of the regular Annual Assessments made for the Assessment year during which such Special Assessments are approved by the Members.

11.6 Emergency Special Assessments. In addition to the Annual Assessments authorized by Section 11.3 and the Special Assessment authorized by Section 11.5 hereof, the Association may levy Assessments for repairs, reconstruction, alterations or improvements due to emergencies of any type, as determined by the Declarant and/or the Board of Directors, in their sole discretion ("Emergency Special Assessment"). Any Emergency Special Assessment may be imposed without a vote of the Members.

11.7 Declarant's Properties. Anything contained herein to the contrary notwithstanding, Declarant shall be exempt from the payment of any Annual Assessments, Special Assessments and Emergency Special Assessments with respect to unimproved and unoccupied properties owned by the Declarant and subject to this Declaration. The Declarant hereby covenants and agrees, however, that, so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1<sup>101</sup> and 13.1<sup>102</sup>, it shall pay to the Association, at the end of the annual accounting period, a sum of money equal to any operating deficit experienced by the Association, exclusive of any reserves for the replacement of improvements; provided, however, the Declarant shall not pay more than a sum equal to the amount of the Assessment for said year, or portion thereof owned, which the Declarant would have paid if the exempted property were not exempt.

11.8 Individual Assessments. Any expenses of the Association or the Declarant occasioned by the conduct of less than all of the Owners or by the family, Tenants, agents, guests, or invitees of any Owner shall be specially assessed against such Owners and their respective Lots or Dwellings. The individual Assessments provided for in this Section 11.8 shall be levied by the Board of Directors and the amount and due date of such Assessment so levied by the Board shall be as specified by the Board.

11.9 Effect of Nonpayment; Remedies of the Association. Any Assessments or Recreational Charges of an Owner or any portions thereof which are not paid when due shall be delinquent. Any Assessment or Recreational Charges delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time and, upon adoption of a policy therefor by the Board of Directors, shall also commence to accrue simple interest at the rate of fifteen percent (15%) per annum. A lien and equitable charge as herein provided for each Assessment or Recreational Charge shall attach simultaneously as the same shall become due and payable, and if an Assessment or Recreational Charge has not been paid within thirty (30) days, the entire unpaid balance of the Assessment or Recreational Charge may be accelerated by the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such Assessment or

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<sup>101</sup> See page 45.

<sup>102</sup> See page 60.

Recreational Charge shall include the late charge established by the Board of Directors, and, upon adoption of a policy therefor by the Board of Directors, interest on the principal amount due at the rate of fifteen percent (15%) per annum, all costs of collection (including reasonable attorneys' fees and court costs), and any other amounts provided or permitted hereunder or by law. In the event that the Assessment or Recreational Charge remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suite to collect such amounts and to foreclose its lien. The equitable charge and lien provided for in this shall be in favor of the Association, and each Owner, by his acceptance of a deed or other conveyance to a Lot or Dwelling, vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such Assessments and Recreational Charges as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The Association shall have the power to bid on the Lot or Dwelling at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the Assessments and Recreational Charges provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his Lot or Dwelling, and an Owner shall remain personally liable for Assessments, Recreational Charges, interest, and late charges which accrue prior to a sale, transfer, or other conveyance of his Lot or Dwelling.

11.10 Certificate. The Treasurer, any Assistant Treasurer, or the manager of the Association shall, within ten (10) days of a written request and upon payment of such fee as is from time to time determined by the Board of Directors, furnish to any Owner or such Owner's Mortgagee which requests the same, a certificate in writing signed by said Treasurer, Assistant Treasurer, or manager setting forth whether the Assessments and Recreational Charges for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, accrued interest, and other penalty charges. Such certificate shall be conclusive evidence against all but such Owner of payment of any Assessments and Recreational Charges stated therein to have been paid.

11.11 Date of Commencement of Assessments. The Assessments provided for herein shall commence as to property subject to this Declaration on the date on which such property is conveyed to a person other than Declarant and shall be due and payable in such manner and on such schedule as the Board of Directors may provide. Annual Assessments, Special Assessments and Emergency Special Assessments shall be adjusted for such property according to the number of months then remaining in the then fiscal year of the Association and the number of days then remaining in the month in which such property is first conveyed. Annual Assessments, Special Assessments and Emergency Special Assessments for properties in portions of the Additional Property hereafter submitted to the terms of this Declaration shall commence with respect to each such property on the later of (i) the day on which such property is conveyed to a person other than Declarant, or (ii) the day the Supplemental Declaration so submitting such properties is filed Of Record, and Annual Assessments, Special Assessments and Emergency Special Assessments for each such property shall be adjusted according to the number of months then remaining in the fiscal year of the Association and the number of days then remaining in the month in which such Assessments commence.

11.11.1 Working Capital Collected At Closing. Each Owner of a property subject to this Declaration, other than Declarant, shall pay to the Association a sum equal to two (2) months of the Annual Assessment for working capital, which cost, when paid, can be recovered from the grantee of an Owner upon conveyance of said property by the Owner. Such sums are and shall remain separate and distinct from Annual Assessments and shall not be considered advance payments of Annual Assessments. Each such

Owner's share of working capital, as aforesaid, shall be collected from such Owner upon his purchase of property subject to this Declaration, and must be transferred to the Association at the time of closing the conveyance from the Declarant to the Owner.

## ARTICLE 12. RULE MAKING

12.1 Rules and Regulations. Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots, Dwellings, Neighborhood Areas, and the Common Areas, and facilities located thereon, including, without limitation, the Recreational Amenities. In particular but without limitation, the Board of Directors may promulgate from time to time rules and regulations which shall govern activities which may, in the judgment of the Board of Directors, be environmentally hazardous, such as application of fertilizers, pesticides, and other chemicals. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, Tenants, guests, invitees, servants, and agents, until and unless any such rule or regulation be specifically overruled, cancelled, or modified by the Board of Directors or in a regular or special meeting of the Association by the vote of the Owners, in person or by proxy, holding a majority of the votes cast, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant has the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1<sup>103</sup> and 13.1<sup>104</sup> hereof.

12.2 Authority and Enforcement. Subject to the provisions of Section 12.3<sup>105</sup> hereof, upon the violation of this Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any Assessments or Recreational Charges, the Board shall have the power (i) to impose reasonable monetary fines which shall constitute an equitable charge and a continuing lien upon the Lot or Dwelling, the Owners, occupants, or guests of which are guilty of such violation, (ii) to suspend an Owner's right to vote in the Association, or (iii) to suspend an Owner's right (and the right of such Owner's family, guests, and Tenants and of the co-Owners of such Owner and their respective families, guests, and Tenants) to use any of the Common Areas and Recreational Amenities, and the Board shall have the power to impose all or any combination of these sanctions; provided, however, an Owner's access to its property over the private roads and streets constituting Common Areas will not be terminated hereunder. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guests, or Tenants or by his co-Owners or the family, guests, or Tenants of his co-Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

12.3 Procedure. Except with respect to the failure of to pay Assessments or Recreational Charges, the Board shall not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an

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<sup>103</sup> See page 45.

<sup>104</sup> See page 60.

<sup>105</sup> See page 58.

Owner or other occupant of the Development for violations of the Declaration, By-Laws, or any rules and regulations of the Association, unless and until the following procedure is followed:

12.3.1 Demand to Cease and Desist. Written demand to cease and desist from an alleged violation shall be served upon the Owner responsible for such violation specifying:

- (a) The alleged violation;
- (b) The action required to abate the violation; and
- (c) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the By-Laws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

12.3.2 Notice of Hearing. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice, in accordance with Section 13.16<sup>106</sup> of a hearing to be held by the Board in executive session. The notice shall contain:

- (a) The nature of the alleged violation;
- (b) The time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice;
- (c) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and
- (d) The proposed sanction to be imposed.

12.3.3 Hearing. The hearing shall be held in executive session of the Board of Directors pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and matter of delivery is entered by the officer, director, or other individual who delivered such notice. The notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

## ARTICLE 13. GENERAL PROVISIONS

13.1 Control of Declarant. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION, OR IN THE BY-LAWS OF THE ASSOCIATION, Declarant hereby retains the right to appoint and remove any member or members of the Board of Directors of the Association and any officer or officers of the Association as provided by and for the term set forth in Section 10.1<sup>107</sup> hereof. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove directors and officers of the Association in accordance with the foregoing provisions of this Section 13.1 and the provisions of Section 10.1. The provisions of this Section 13.1 are supplemental to, and not in substitution of, the rights retained by Declarant pursuant to this Declaration.

13.1.1 Voting Agreement and Proxy. By acceptance of a deed or other conveyance of an interest, all Members do hereby grant, and if further required, do agree to vote in a manner to provide, to Declarant all voting rights and other corporate powers specifically reserved to and designated for Declarant under this Declaration. **IN CONNECTION WITH THIS VOTING AGREEMENT, EACH MEMBER APPOINTS DECLARANT AS proxy FOR SUCH MEMBER WITH FULL POWER OF SUBSTITUTION TO VOTE FOR THE MEMBER ON ALL SUCH MATTERS ON WHICH THE MEMBER MAY BE ENTITLED TO VOTE, AND WITH RESPECT TO WHICH THERE IS A RESERVATION OR DESIGNATION OF VOTING RIGHTS IN DECLARANT UNDER THIS DECLARATION, AND WITH ALL POWERS WHICH THE MEMBER WOULD POSSESS IF PERSONALLY PRESENT AT ANY MEETING OF MEMBERS. SUCH APPOINTMENT SHALL BE, UPON ACCEPTANCE OF A DEED OR OTHER CONVEYANCE BY THE MEMBER AND WITHOUT THE NECESSITY OF FURTHER ACTION BY THE DECLARANT OR THE MEMBER, A POWER COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE.** Such appointment shall be effective as of the date on which a deed or other conveyance of an interest to the Member is filed Of Record. This irrevocable proxy shall automatically terminate on the date Declarant's voting rights as a Type G Member terminate. The within voting agreement and proxy are in addition to, and not in substitution of, all rights of Declarant herein provided, which shall run with the Property.

13.1.2 Creation of New Board. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of Section 10.1 and this Section 13.1, such right shall pass to the Owners, including Declarant if Declarant then owns one or more properties subject to this Declaration, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board of Directors, and Declarant shall deliver all books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

13.2 Amendments by Declarant. During any period in which Declarant retains the right to appoint and remove any directors and officers of the Association as set forth in Sections 10.1<sup>108</sup> and 13.1<sup>109</sup>, Declarant may amend this Declaration by an instrument in writing filed Of Record without the approval of any Owner or Mortgagee; provided, however, that, with the exception of the addition of any portion of the Additional Property to the terms of this Declaration, (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his Lot, Dwelling, Neighborhood Area, or the Common Areas as set forth in this Declaration or adversely affects the title to any Lot, Dwelling, or Neighborhood Area, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby; (ii) in the event that such amendment would materially and adversely affect the security title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected; and (iii) in the event that such amendment also is an amendment to the Bylaws, the amendment will be adopted pursuant to the applicable procedures of the Act. Notwithstanding the foregoing to the contrary, the expiration or termination of the right of Declarant to appoint and remove any directors and officers of the Association shall not terminate Declarant's right to amend the Declaration for the purpose of submitting the Additional Property or any portion thereof to the provisions of this Declaration as provided in Section 2.2<sup>110</sup> hereof. Any amendment made pursuant to this Section 13.2 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and shall be effective only upon it being filed Of Record 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 of Dwelling, agrees to be bound by such amendments as are permitted by this Section 13.2 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Development (a) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule, or regulation or any judicial determination which shall be in conflict therewith, (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any properties subject to this Declaration, (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any properties subject to this Declaration, or (d) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the properties or other improvements subject to this Declaration.

13.3 Amendments by Association. Amendments to this Declaration, other than those authorized by Section 13.2<sup>111</sup> hereof, shall be proposed and adopted in the following manner:

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108        See page 45.

109        See page 60.

110        See page 8.

111        See page 61.

(a) 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.

(b) 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 the affirmative vote of Members present, in person or by proxy, entitled to vote and holding at least two-thirds (2/3) of the total votes in the Association; provided, however, (i) that any amendment which materially and adversely affects the security title and interest of any Mortgagee must be approved by such Mortgagee; (ii) during any period in which Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1<sup>112</sup> and 13.1<sup>113</sup>, such amendment must be approved by Declarant; and (iii) in the event that such amendment also is an amendment to the Bylaws, the amendment will be adopted pursuant to the applicable procedures of the Act.

(c) 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 filed Of Record or at such later date as may be specified in the amendment itself.

Anything contained in this Section 13.3 to the contrary notwithstanding, no amendment under this Declaration shall be made, or any vote therefor effective, if the result or effect thereof would have a material adverse effect upon Declarant without the prior written consent of the Declarant, including, but not limited to, any matter set forth in Articles 3, and in Sections 2.2.1, 2.3, 2.4, 2.5, 2.6, 2.7, 4.21, 4.26, 4.28, 4.29, 4.30, 4.31, 4.32, 5.3.3, 5.4, 5.5, 5.6, 5.10, 5.13, 6.15, 6.16, 10.5, 11.7, 13.9, 13.10, and 13.15.

**13.4 Enforcement.** Each Owner shall comply strictly with the By-Laws and the published rules and regulations of the Association adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his Lot or Dwelling, if any. Failure to comply with any of the same shall be grounds for imposing fines, for suspending voting rights or rights of use in and to the Recreational Amenities, or for instituting an action to recover sums due, for damages, and/or for injunctive relief, such actions to be maintainable by Declarant, the Board of Directors on behalf of the Association, or, in a proper case, by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws, and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present

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<sup>112</sup> See page 45.

<sup>113</sup> See page 60.

and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation or breach. No delay, failure, or omission on the part of Declarant, the Association, or any aggrieved Owner in exercising any right, power, or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, shall bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, of the provisions of this Declaration, the By-Laws, or any rules and regulations of the Association by any person, however long continued.

13.5 Duration. The provisions of this Declaration shall run with and bind title to the Property, shall be binding upon and inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect for a period of thirty (30) years from and after the date this Declaration is filed Of Record, provided that rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said thirty (30)-year period, this Declaration shall be automatically renewed for successive ten (10)-year periods. The number of ten (10)-year renewal periods shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10)-year renewal period for an additional ten (10)-year period; provided, however, that there shall be no renewal or extension of this Declaration, if, during the last year of an initial thirty (30)-year period or the last year of any ten (10)-year renewal period, seventy-five percent (75%) of votes of the Members present, in person or by proxy, and entitled to vote at a duly called meeting of the Members, are cast in favor of terminating this Declaration at the end of the then current term. In the event that the Association votes to terminate this Declaration, an instrument evidencing such termination shall be filed of Record, such instrument to contain a certificate wherein the President of the Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in any Property, by acceptance of a deed or other conveyance therefor, thereby agrees that the provisions of this Declaration shall run with and bind title to the Property as provided hereby.

13.6 Termination of Association. In the event that this Declaration be declared to be void, in valid, illegal, or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, and such adjudication occurs within ten (10) years of the date of recording this Declaration, all Common Area belonging to the Association at the time of such adjudication shall revert to the Declarant, and the Declarant shall own and operate said Common Areas as Trustee for use and benefit of Owners within the Property as set forth below. If said adjudication shall occur on a date more than ten (10) years after the date of recording of this Declaration, or if the Members of the Association should vote not to renew and extend this Declaration as provided for in Section 13.5, all Common Areas owned by the Association at such time shall be transferred to a properly appointed Trustee, which Trustee shall own and operate said Common Areas for the use and benefit of Owners within the Property as set forth below:

(a) Each lot, parcel or tract of land located within the Property shall be subject to an Annual Assessment which shall be paid by the Owner thereof to the Declarant or Trustee, whichever

becomes the successor in title to the Association. The amount of such Annual Assessment and its due date shall be determined solely by the Declarant or the Trustee, as the case may be, but the amount of such Annual Assessment on any particular lot, parcel or tract of land shall not exceed the amount actually assessed against that lot, parcel or tract of land in the last year that Assessments were levied by the Association, subject to the adjustment set forth in subparagraph (b) immediately below.

(b) The rate of the Annual Assessment which may be charged by the Declarant or Trustee hereunder on any particular lot or parcel may be automatically increased each year by either five (5%) percent or the percentage increase between the first month and the last month of the Annual Assessment period in the CPI-U issued by the U.S. Bureau of Labor Statistics in its monthly report, whichever of these two percentage figures is larger. The actual amount of such increase in the regular Annual Assessment on a parcel shall equal the regular Annual Assessment on such lot or parcel for the previous year multiplied by the larger of the two percentage factors set forth above. If the CPI-U is discontinued, then there shall be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living.

(c) Any past due Annual Assessment together with interest thereon at the greater of fifteen (15%) percent or the maximum annual rate permitted by law from the due date and all costs of collection including reasonable attorney's fees shall be a personal obligation of the Owner at the time that Annual Assessment become past due, and it shall also constitute and become a charge and continuing lien on the lot or parcel of land and all improvements thereon, against which the Assessment has been made, in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

(d) The Declarant, or the Trustee, as the case may be, shall be required to use the funds collected as Annual Assessments for the operation, maintenance, repair and upkeep of the Declarant or Trustee may charge as part of the cost of such functions the reasonable value of its services in carrying out the duties herein provided. Neither the Declarant nor the Trustee shall have the obligations to provide for operation, maintenance, repair and up-keep of the Common Areas once the funds provided by the Annual Assessment have been exhausted.

(e) The Declarant shall have the right to convey title to the Common Areas and to assign its rights and duties hereunder, provided that the transferee accepts such properties subject to the limitations and uses imposed hereby and affirmatively acknowledges its acceptance of the duties imposed hereby.

(f) The Trustee shall have the power to dispose of the Common Areas (subject to the limitations of Article 3<sup>114</sup>), free and clear of the limitations imposed hereby; provided, however, that such disposition shall first be approved in writing by fifty-one (51%) percent of the Owners of Property within the Property or in the alternative shall be found, in the exercise of reasonable business judgment, to be in the best interest of the Owners of property within the Property. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Areas, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of such Property, then for the payment of any obligations distributed among the Owners of property within the

Development, exclusive of the Trustees, in a proportion equal to the portion that the Maximum Annual Assessment on property owned by a particular Owner bears to the total Maximum Annual Assessment for all property located within the Property.

13.7 Perpetuities. 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 Mrs. Rose Kennedy, mother of U. S. Senator Edward Kennedy.

13.8 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing Of Record. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of South Carolina.

13.9 No Affirmative Obligation Unless Stated. ANY RESERVATION OR RIGHT OF THE DECLARANT WHICH IS STATED IN OR IMPLIED FROM THESE COVENANTS SHALL NOT GIVE RISE TO ANY AFFIRMATIVE OBLIGATION OR DUTY ON THE PART OF THE DECLARANT UNLESS EXPRESSLY STATED IN THIS DECLARATION.

13.10 No Implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE DECLARANT PURSUANT TO THESE COVENANTS SHALL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE TO ANY PROPERTY OWNER.

13.11 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

13.12 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

13.13 Rights of Third Parties. This Declaration shall be filed Of Record for the benefit of Declarant, the Owners, and their Mortgagees as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title or interest whatsoever in the Development, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions

hereof, and, subject to the rights of Declarant and Mortgagees as herein provided, the Owners shall have the right to extend, modify, amend, or otherwise change the provisions of this Declaration without the consent, permission, or approval of any adjoining owner or third party.

13.14 Notice of Sale, Lease, or Mortgage. In the event an Owner sells, leases, mortgages, or otherwise disposes of any Lot or Dwelling, the Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, mortgagee, or transferee.

13.15 No Trespass. Whenever the Association, Declarant, the Architectural Review Board, and their respective successors, assigns, agents, or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve, or do any other action within any portion of the Development, the entering thereon and the taking of such action shall not deem to be trespass.

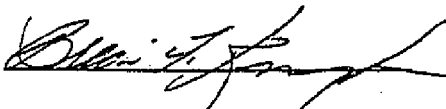

13.16 Notices. Notices required hereunder shall be in writing and shall be delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owners' respective Lots or Dwellings. All notices to the Association shall be delivered or sent in care of Declarant to Declarant's main office, c/o Wild Dunes Development Corporation, 5757 Palm Boulevard, Isle of Palms, South Carolina 29451, or to such other address as the Association may from time to time notify the Owners. All notices to Declarant shall be delivered or sent to Declarant's main office, c/o Wild Dunes Development Corporation, 5757 Palm Boulevard, Isle of Palms, South Carolina 29451, or to such other address as Declarant may from time to time notify the Association. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association. Notices to any other person or persons entitled to same hereunder shall be delivered or sent to such address or addresses as such person or persons specify, from time to time, in writing to the sender, or, in the absence thereof, to such address or addresses as shall be, in the exercise of reasonable judgment by the sender, reasonably expected to be received by such person or persons.

IN WITNESS WHEREOF, duly authorized officers of the undersigned Declarant have executed this Declaration under seal, this 3rd day of MARCH, 1995.


DECLARANT:

Signed, sealed and delivered in the presence of:

RIVER TOWNE LIMITED PARTNERSHIP,  
a South Carolina Limited Partnership

By: Wild Dunes Development Corporation, a Georgia Corporation  
its General Partner

BY:   
Its: ~~Administrative Partner~~  
Executive Vice President

ASSOCIATION ACKNOWLEDGMENT

The undersigned Officers of River Towne Property Owners Association, in behalf of itself and its existing and future Members, does hereby acknowledge the foregoing Covenants, Conditions And Restrictions For River Towne, consenting to all the terms and conditions thereof and agreeing to be bound thereby.

Signed, sealed and  
delivered in the  
presence of:

RIVER TOWNE PROPERTY OWNERS  
ASSOCIATION

*[Signature]*  
Aara C. Deper

By: *W.M. J.M.K.*  
Its: President

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

Personally appeared before me Brian F. Kernaghan and made an oath that (s)he saw River Towne Limited Partnership, a South Carolina Limited Partnership, by Wild Dunes Development Corporation, a ~~South Carolina~~ Corporation, its General Partner, by Edward R. Ginn its ~~Executive~~ <sup>Executive</sup> sign, seal, and as its act and deed deliver the within written Declaration of Covenants, Conditions and Restrictions for River Towne, and that (s)he with SARA C. JOYNER witnessed the execution thereof.

Brian F. Kernaghan (SEAL)

Sworn to before me this  
14 day of March, 1995.

Martha L. Lugo  
Notary Public for South Carolina

My Commission expires: 12/21/2003

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

Personally appeared before me Brian F. Keenan and made an oath that (s)he saw River Towne Property Owners Association, by William J. McKenzie, its President, sign, seal, and as its act and deed deliver the within written Association Acknowledgment to the Declaration of Covenants, Conditions and Restrictions for River Towne, and that (s)he with SARA C. JOYNER witnessed the execution thereof.

Brian F. Keenan (SEAL)

Sworn to before me this  
4 day of March, 1995.

Maria L. Lugo  
Notary Public for South Carolina

My Commission expires: 12/21/2003

EXHIBIT "A"

All those certain pieces, parcels and tracts of land lying and being in Charleston County, known as "Tract C-1 315.995 Acres" and shown on that certain plat prepared by SouthStar Surveying, Inc., entitled "PLAT OF THE ADJUSTMENT BETWEEN TRACTS A-1, A-3, AND C-1, RIVER TOWNE, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, SOUTH CAROLINA" dated June 12, 1994, and revised June 29, 1994, and recorded on July 8, 1994, in Plat Book EA, at Page 114 in the RMC Office for Charleston County.

-ALSO  
Easement Parcel

All that certain Entrance Easement as shown on Exhibit C attached to Reservation of Easement and Restriction made by Wild Dunes Associates, LP, dated May 16, 1994, and recorded in Book B-243, Page 262 in the RMC Office for Charleston County. Said Entrance Easement being a portion of Tract A-1 as shown on a plat entitled "A SUBDIVISION PLAT OF A 690.044 ACRE TRACT OF LAND INTO TRACTS A-1, A-3, B AND C-1 OWNED BY WILD DUNES ASSOCIATES LOCATED IN CHRIST CHURCH PARISH CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Southeastern Surveying, dated December 13, 1993, and recorded on May 13, 1994, in Plat Book EA, at Pages 20-24 in the RMC Office for Charleston County.

Said Entrance Easement being more particularly described as follows: Beginning at the northeasternmost point of Tract A-1, being the point of beginning, turn S27°59'13"E for a distance of 330.45' to a point; thence turning and running S36°21'11"W for a distance of 445.0' to a point; thence turning and running N65°53'45"W for a distance of 261.60' to a point; thence turning and running N33°41'24"E for a distance of 171.26' to a point; thence turning and running N10°53'08"E for a distance of 66.19' to a point; thence turning and running N04°05'08"E for a distance of 70.18' to a point; thence turning and running N17°14'29"E for a distance of 75.91' to a point; thence turning and running N25°01'01"E for a distance of 82.76' to a point; thence turning and running N56°18'36"E for a distance of 213.34' to the point of beginning. Saving and excepting particular portions of said Entrance Easement as are now incorporated into Tract C-1 as shown on that certain plat entitled "PLAT OF THE ADJUSTMENT OF PROPERTY LINES BETWEEN TRACTS A-1, A-3 AND C-1 RIVER TOWNE TOWN OF MT. PLEASANT CHARLESTON COUNTY, SOUTH CAROLINA" prepared by SouthStar Surveying, Inc., dated June 12, 1984, and revised June 29, 1984, and recorded on July 8, 1994, in Plat Book EA, at Page 114 in the RMC Office for Charleston County.

Said Entrance Easement now being more particularly shown on that certain plat by SouthStar Surveying, Inc., dated February 20, 1995.