

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

DECLARATION OF COVENANTS
AND RESTRICTIONS FOR
HAMLIN PLANTATION

THIS Declaration made by HAMLIN PLANTATION, L.L.C. (hereinafter called "Developer")

WITNESSETH:

WHEREAS, Developer proposes to create a subdivision known as Hamlin Plantation (hereinafter referred to as the "Subdivision") containing detached home site lots and multi family developments or condominium regimes, together with common areas as more fully described herein; and

WHEREAS, Developer is the owner or certain real property located in the Town of Mount pleasant, Charleston County, South Carolina, more particularly described in Exhibit "A" attached hereto, which property Developer desires to submit to the plan and operation of this Declaration and which property shall be deemed a part of the Subdivision; and

WHEREAS, the Developer wishes to accomplish the following objectives for its benefit and the benefit of Owners of property in the Subdivision by the imposition of the covenants and restrictions set forth herein:

- (a) To maintain the value and the residential character and integrity of the residential portions of the Subdivision and to maintain the quality and value of any recreational portions of the Subdivision,
- (b) To preserve the quality of the natural amenities of the Subdivision,
- (c) To minimize or eliminate the possibility of any disruptions of the peace and tranquility of the residential environment of the Subdivision,
- (d) To prevent the abuse or unwarranted alteration of the trees, vegetation, lakes, streams and other bodies of water and natural character of the land in the subdivision,
- (e) To prevent any property Owner or any other persons from building or carrying any other activity in the Subdivision to the detriment of any Owners of Property in the subdivision, and
- (f) To keep property values in the Subdivision high, stable and in a state of reasonable appreciation and

WHEREAS, the Developer is desirous of maintaining design criteria, location, construction specifications, and other controls to assure the integrity of the Subdivision; and

WHEREAS, as hereinafter provided in this Declaration, the Developer has retained and reserved the right, privilege and option to submit to the provisions of this Declaration at a later time and from time to time as a part of the Subdivision, all or any portion of the real property described in Supplemental Exhibits attached hereto and incorporated herein by reference;

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

ARTICLE I

DEFINITIONS

When used in this Declaration, unless the context shall prohibit or require otherwise, the following words shall have the following meanings, and all definitions shall be applicable to the singular or plural forms of any such term(s):

Section 1.1. Additional Property shall mean and refer to the real property described in Exhibit "H" and all improvements thereon

Section 1.2. Assessment shall mean and refer to an Owner's share of the Common Expenses or other charges from time to time assessed against an Owner by the Association in the manner herein provided.

Section 1.3. Association means Hamlin Plantation Property Owners Association, Inc. (a South Carolina eleemosynary corporation), its successors and assigns

Section 1.4. Board of Directors shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

Section 1.5. By - Laws of the Association shall mean and refer to those By-Laws of the Association which govern the administration and operation of the Association attached hereto as Exhibit I and made a part hereof by reference, as may be amended from time to time.

Section 1.6. Common Areas shall mean and refer to all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners or designated by the Developer as Common Areas. Such areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public and the general public shall thereby have no easement of use and enjoyment therein. Specifically included as part of the Common Areas are all maintenance areas, alleys, parking lots and parking areas, medians, green areas, landscaped entrances (either to the Subdivision as a whole or various portions thereof), walkways, sidewalks, jogging trails, bike paths, signage, lagoons, streams, ponds, marshes, easement areas designated as Common Areas, access easements across other real property, parks, and other Recreational Amenities as hereinafter defined, and such other lands and/or improvements as, by subsequent amendment of or supplement to this Declaration, may be subjected to this Declaration and designated as Common Areas by the Developer. However, nothing herein contained nor any general plan or plat of the Properties showing areas which may later be developed as additional phases of the Subdivision shall be deemed to include such property as Common Areas, nor shall the Association or any Owner be entitled to any right, title or interest in such property unless and until such property shall have been formally included as a part of the Subdivision by the Developer pursuant to the terms herein contained and dedicated as a Common Area by the Developer. Notwithstanding anything contained herein to the contrary, the Developer, its successors and assigns, shall not be obligated to convey to the Association the above described marshes. The Developer, in Developer's sole judgment and discretion, it's successors or assigns, may elect to convey any or all of such marshes to the National Trust for Historic Preservation, The Nature Conservancy, Lowcountry Open Land Trust, or other similar nonprofit land conservation organization, or to the Town of Mount Pleasant.

Section 1.7. Common Expenses shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of financial, equipment, or material reserves, consistent with the provisions and intent of this Declaration

Section 1.8. Declaration shall mean this Declaration, together with all supplements and amendments to this Declaration as filed in the Office of the Charleston County Register of Mesne Conveyance.

Section 1.9. Developer means Hamlin Plantation, L.L.C. , its successors and assigns. The Developer shall have the right to assign any or all rights which it may possess, as Developer, to the Hamlin Plantation Property Owners Association, Inc., or any person or entity, including a Sub-Developer, provided, however, that the instrument or assignment shall expressly so provide.

Section 1.10. Foreclosure shall mean and refer to, without limitation, the judicial foreclosure of a Mortgage or the conveyance of secured property by a deed in lieu of judicial foreclosure.

Section 1.11. Institutional Mortgage shall mean a Mortgage held by a bank, trust company, insurance company or other recognized lending institution, or by an institutional or governmental purchaser or mortgage loans in the secondary market, such as, but not limited to, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation.

Section 1.12. Lease shall mean and refer to any lease, sublease or rental contract, whether oral or written, and for a term of hours, days, months or years.

Section 1.13. Living Space shall mean and refer to enclosed and covered areas within a dwelling on a Lot, exclusive of garages, rooms over garages, unenclosed porches, porte-cocheres, garages, carports, breezeways, terraces, balconies, decks, patios, courtyards, greenhouses, atriums, bulk storage areas, attics and basements.

Section 1.14. Lot shall mean and refer to: (1) any parcel of Property within the Subdivision intended for use as a single-family Lot or multi-family individual units, (2) those portions of the Subdivision identified as "Lots" on Exhibit "A" attached hereto, or on any future subdivision of such Property, (ii) any townhouse, condominium unit or patio or cluster home, whether detached or attached, together with (iii) any similar portions of the Additional Property that may be so designated from time to time by the Developer, but shall not include any Common Areas as defined herein.

Section 1.15. Mortgage with an initial capital letter, shall mean and refer to a mortgage, security deed, deed of trust, installment land sales contract and security agreement or other similar security instrument granting, creating or conveying a lien upon, a security interest in, or a security encumbered title to a Lot, Multi-Family Area or Common Area

Section 1.16. Mortgage with an initial capital letter, shall mean and refer to the holder of a Mortgage.

Section 1.17. Multi-Family Area shall mean and refer to any portion of the subdivision designated as such by the Developer in which common elements are owned by either the Owners of Lots in such Multi-Family Area as tenants-in-common or by the Multi-Family Association composed of such Owners, pursuant to a Horizontal Property Regime within the Subdivision upon which there will be constructed either attached or detached townhouses, condominium units, cooperative units, cluster homes, patio homes or similar multi-family structures.

Section 1.18. Multi-Family Association or Subordinate Regime shall mean and refer to a corporation or an unincorporated association the shareholders or members of which are all Owners of Lots within a Multi-Family Area or within any subordinate property development within the Subdivision, whether submitted to a horizontal property regime or made subject to further or additional restrictions and/or covenants of ownership, use and control.

Section 1.19. Multi-Family Declaration shall mean and refer to any instrument or document, and any amendments thereto, which is recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina with respect to any Multi-Family Area and which creates a townhouse, patio home, cluster home, cooperative regime, or condominium or horizontal property regime for such Multi-Family Area or imposes covenants, conditions, easements and restrictions with respect to such Multi-Family Area.

Section 1.20. Occupant shall mean and refer to any person, including, without limitation, any Owner or any guest, invitee, licensee, lessee, tenant, transient paying guest, or family member of an Owner lawfully occupying or otherwise using a Lot within the Subdivision.

Section 1.21. Owner with an initial capital letter, shall mean and refer to one or more persons or entities, including Developer, who or which own(s) fee simple title to any Lot or ownership of a multi-family unit which may exclude Fee Simple individual lot ownership, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Owner shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner, and shall refer to the Developer so long as Developer retains its class B Membership, whether or not Developer owns any Lot.

Section 1.22. Person shall mean and refer to a natural person, corporation, partnership, association, proprietorship, trust, or any other legal entity or any combination thereof.

Section 1.23. Property or Properties shall mean and refer to all property, which is subject to this Declaration.

Section 1.24. Recreational Amenities shall include such recreational facilities and improvements owned by and so designated by Developer and are, from time to time, located within the Subdivision or located within or dedicated to the Common Areas, including, without limitation, playground areas, lagoons, and any clubhouse, park, tennis court, ball field, dock or other recreational facility constructed by the Developer and dedicated to the common use and enjoyment of the Owners by the Developer.

Section 1.25. Subdivision with an initial capital letter, shall mean and refer to those tracts or parcels of land described on Exhibit "A", together with all improvements presently thereon and subsequently constructed thereon, and, upon the submission to the provisions of this Declaration of the tracts or parcels of land described in Exhibit "H", or any portion thereof, shall mean and refer to the real property described in Exhibit "A" and the real property described in Exhibit "H" or such portion thereof so submitted, together with all improvements thereon or thereafter constructed thereon.

Section 1.26. Subdivision Plat shall mean and refer to those certain plats described in Exhibit "A" attached hereto together with: (1) any future revisions or further subdivisions thereof, or (ii) any subdivision plat for any portion of the Additional Property as may be submitted to the terms of this Declaration, and recorded from time to time in the RMC Office for Charleston County.

Section 1.27. Sub-Developer shall mean and refer to any Person to whom Developer conveys an undivided tract of land within the Subdivision or the Additional Property with the intention that such person shall subdivide such undivided and undeveloped tract of land into Lots pursuant to a plan approved by the Developer

ARTICLE II

PLAN OF DEVELOPMENT

Section 2.1. Plan of Development of the Subdivision. The Subdivision initially shall consist of the Property described on Exhibit "A" attached hereto. The Property shall also include certain improvements to the Common Areas, including utility systems, drainage systems and other improvements serving the Lots, and various Recreational Amenities to the extent the same are, from time to time, installed and existing and submitted to the provisions hereof. The dimensions of the Property constituting the Subdivision are shown on the Subdivision Plat. The Properties within the Subdivision are shown on the Subdivision Plat. The Property within the Subdivision shall be subject to the covenants, easements and restrictions set forth in this Declaration. Developer shall have the right, but not the obligation for so long as Developer: (i) owns any portion of the Common Areas; or (ii) owns any Multi-Family Area; or (iii) owns any Lot primarily for the purpose of sale of the Lot; or (iv) has the option to add the Additional Property or any portion thereof to the Subdivision, to make improvements and changes to all Common Areas and to any or all Lots or other property owned by Developer, including but not necessarily limited to the following: (i) installation and maintenance of any improvements in and to the Common Areas, including the Recreational Amenities; (ii) changes in the location of the boundaries of the Common Areas, any Recreational Amenities, and any Lots owned by Developer or of the dedicated or undedicated Common Areas; (iii) installation and maintenance of any water, sewer and other utility systems and facilities, to include, but not limited to, T.V. cable and its various attendant services and telephone service to include, teletype or computer, telex, news service, or computer, or any such like instrument used in the transmittal, reception, or retrieval of messages, facts, or information; and (iv) installation of security and/or refuse facilities. The Association shall have the right to access and collect reasonable fees and charges for the use of Recreational Amenities

Section 2.2. Plan of Development of Additional Property. Developer hereby reserves the option, to be exercised in its sole discretion, to submit at any time, or from time to time, the Additional Property or a portion or portions thereof to the provisions of this Declaration and thereby to cause the Additional Property or a portion or portions thereof to become part of the Property and part of the plan and operation of this Declaration, regardless of whether or not such Property is owned by Developer, its successors or assigns. Developer reserves the right to plan, design, develop, construct, maintain and manage the Common Areas, the Additional Property, the Recreational Amenities, the Multi-Family Areas and any unsold Lot as Developer deems necessary or convenient for its purposes, except as otherwise expressly stated in this Declaration, including without limitation the right to expand the number, size and density of the unsold Lots, the Common Areas, the Multi-Family Areas, the Recreational Amenities and the Additional Property. This option may be exercised by Developer in accordance with the following rights, conditions and limitations, which are the only conditions and limitations on such option to add all or any portion of the Additional Property to the Subdivision. This option to add Additional Property/phases(s) may be exercised from time to time during a period of forty (40) years from the date of recordation of this Declaration; provided, however, that Developer reserves the right to terminate such option at any time prior to the expiration of such forty year period by executing and filing an agreement evidencing such termination in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina, and, except for such termination by Developer, no other circumstances will terminate such option prior to the expiration of such forty (40) year period.

The additions authorized under this section 2.2 shall be made by filing of record a Supplementary Declaration or Amendment to this Declaration with respect to the Additional Properties which shall expressly extend the operation and effect of the covenants and restrictions of this Declaration to such Additional Properties. The supplementary Declaration or Amendment may contain such additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Developer, to reflect the different character, if any, of the Additional Properties.

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

If the Additional Property or any portion thereof is added to the Subdivision, any improvements developed therein and any dwellings constructed thereon will be subject to the standards and restrictions set forth herein, including all assessments set forth herein.

If the Additional Property or any portion thereof is added to the subdivision, Developer reserves the right to designate and restrict the boundaries of the Lots, Recreational Amenities, Multi-Family Areas, if any, to be added to the Subdivision in connection therewith.

Should the option to add the Additional Property or any portion of it not be exercised within the term specified herein or be terminated by Developer, such option shall in all respects expire and be of no further force and effect. Developer shall not be obligated to impose on the additional property or any portion of it any covenants, conditions, or restrictions similar to those contained herein, and that property not submitted to this declaration will be free of any covenant or conditions whatsoever unless affirmatively imposed.

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

The option reserved under this Section 2.2 may be exercised by Developer only by the execution of an amendment to this Declaration which shall be filed in the Office of the Register of Mesne Conveyances for Charleston County South Carolina, together with a revision of or an addition to the Subdivision Plat showing the Additional Property or such portion or portions thereof as are being added to the Subdivision by such amendment, as well as the Lots, Recreational Amenities, Common Areas, Multi-Family Areas, or other types of Property located within the Subdivision.

Subsequent to inclusion and/or restriction and its sole discretion, Developer may convey to the Association the Common Areas designated by Developer or any other property owned by the developer, be it recreational amenity or otherwise, contained within the Property as described in Exhibit "A" or Exhibit "H" or such portion or portions of any, either, or all of them, any such conveyance to be subject to the Lien of taxes not yet due and payable, all easements and restrictions of record, utility easements serving or otherwise encumbering the property and/or the additional property, and any exceptions which would be disclosed by an accurate survey or physical inspection of such parcels(s).

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

Section 2.3. Multi-Family Associations. In the event that Developer submits the Additional Property or any portion or portions thereof to the terms of this Declaration, there may be established by Developer, its successors or assigns, Multi-Family Associations structured as horizontal property regimes and similar multi-family projects, the membership of which shall be limited to the Owners of Lots within the Multi-Family Areas located within such portion or portions of the Additional Property so submitted in order to promote the health, safety and social welfare of the Owners of Lots therein, as well as to provide for the maintenance of Lots, other improvements and/or other common elements owned by such Owners and/or such Multi-Family Associations, provided that such Owners shall also be members of the Association and such Lots and other improvements shall continue to be subject to the terms of this Declaration. Such Multi-Family Areas may be subject to Multi-Family declarations which impose covenants and restrictions which are in addition to, but not in abrogation or substitution of those imposed hereby, and such Multi-Family Associations may levy additional assessments and make and enforce supplementary covenants, restrictions, rules and regulations with respect to such Multi-Family Areas. It shall be clear that these overall master covenants and restrictions shall supercede any and all multi-family, regime or sub-association covenants and restrictions.

Section 2.4. Transfers to Sub-Developers. The Developer shall have the right to transfer any portion of the Subdivision or the Additional Property to a Sub-Developer who shall have the right to further subdivide tracts of land so conveyed to such sub-Developer into single-family Lots or multi-family units, provided, however, that such subdivision plan is approved by the Developer. The Developer may also transfer to such Sub-Developer the right and option or designating Common Areas within such tracts of land provided any such designation and conveyance of Common Areas is approved by the Developer. To convey to the purchaser thereof the title to the Lot or other Property and its appurtenant membership and voting rights in the Association. Any provision of this Declaration to the contrary notwithstanding, the provisions of the foregoing plan of development set forth in this Article may not be abrogated, modified, rescinded, supplemented or amended in whole or in part without the prior written consent of Developer.

Section 2.5. Interest Subject to Plan of Development. Every purchaser of a Lot or any portion of the Subdivision shall purchase such Lot or other Property and every mortgagee and lienholder holding an interest therein shall take title, or hold such security interest with respect thereto, with notice of Developer's plan of development as set forth herein, and Developer shall have and does hereby specifically reserve the right to add the Additional Property or any portion or portions thereof to the Subdivision as hereinabove provided, and, with respect to each Lot or other Property located within the Additional Property, to convey to the purchaser thereof the title to the lot or other Property and its appurtenant membership and voting rights in the Association. Any provision of this Declaration to the contrary notwithstanding, the provisions of the foregoing plan of development set forth in this Article may not be abrogated, modified, rescinded, supplemented or amended in whole or in part without the prior written consent of Developer.

Section 2.6. Additional Property/Master Plan Revision. Developer reserves the right to add Additional Property to the Subdivision for purposes of development of subdivision of lots and/or homes to include multi-family units or other residential product. Developer further reserves the right to delete property, amend zoning and make change in density and product at anytime. The master landplan may be modified, changed or amended by the Developer at its sole discretion subject to approval by the Town of Mt. Pleasant and related agencies. Planned amenities and common areas may also be modified in terms of plans and proposed use by Hamlin Plantation, its Developer and/or Assigns.

ARTICLE III

THE ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS

Section 3.1. **The Association.** The Developer has established or will establish the Association for the purpose of exercising powers of owning, maintaining and administering the Common Areas, the Recreational Amenities and common facilities and providing common services, administering and enforcing covenants, conditions and restrictions contained herein, and levying, collecting and disbursing assessments and charges herein created. Further, the Developer reserves the right to convey to the Association and the Association agrees to accept any or all of its rights and obligations set forth herein. The Association shall be authorized but not required to provide the following services:

- (a) Clean-up, maintenance, landscaping of all open spaces, lagoons, lakes, open spaces within the Subdivision or in a reasonable proximity to the Subdivision such that their deterioration would affect the appearance of the Subdivision as a whole.
- (b) Insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the State and local governments.
- (c) Construction, maintenance, landscaping and reconstruction of Recreational Amenities and other improvements within the Common Areas.
- (d) To set up and operate the Architectural Review Board as provided herein
- (e) To construct improvements on open spaces and Common Areas
- (f) Communication services informing members of activities, notice of meetings, referendums, etc., incident to the above listed services.
- (g) To provide liability and hazard insurance covering improvements and activities on the open spaces and the common properties, independently or in collaboration with the Developer.
- (h) To provide directors and officers liability insurance for the Association and its duly elected Directors and Officers.
- (i) Maintenance of all lakes and lagoons located within the properties, including the stocking of such lakes and lagoons if approved by the Board of Directors.
- (j) Landscaping of roads and parkways, sidewalks and walking paths within the subdivision and any common properties or open spaces located therein.
- (k) To take any and all actions necessary to enforce all covenants and restrictions affecting the Subdivision and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Subdivision.

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

Section 3.2. Rules and Regulations. The Association may adopt from time to time additional reasonable rules and regulations governing the use of Common Areas, Recreational Amenities and Lots

Section 3.3. Membership. Every person or entity who is an Owner of any Lot or multi-family unit which is subjected to this Declaration shall be a member of the Association Membership shall be appurtenant to and may not be separated from ownership of any Lot or multi-family unit which is subject to assessments

Section 3.4. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners [including any Sub-Developers(s)], excepting the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 3.3 above. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one vote be cast with respect to any such Lot. (When a purchaser of an individual Lot or lots takes title thereto from the Developer or from a sub-developer, such purchaser becomes a Class A member.)

Class B. The sole Class B member shall be the Developer or its assigns the Class B member shall be entitled to ten (10) votes for each Lot in which it holds either the interest required for membership under Section 3.3 above or (as to the Additional Property) the right to submit Lots to this Declaration. The Class B membership shall cease and become converted to Class A membership upon the occurrence of the first of the following events:

- 1.) When the Developer has conveyed to others 90% of the Lots in the Subdivision (Lots shall include those Lots contained in or situate on any Additional Property which Developer shall hereafter bring under the terms of this Declaration); or
- 2.) December 31, 2020
- 3.) When the Developer executes and records an instrument forfeiting its Class B Membership; or
- 4.) The Developer reserves the right to extend the period for which it retains Class B membership. Should such action be deemed by the Developer to be in the best interest of the Subdivision and/or association for any reason whatsoever, the Developer may elect an extension period beyond the Class B dissolution conditions or dates provided herein above, thus retaining Class B membership and voting rights for the specified extension period. The Developer shall provide notification of its intent of extension to the Association Membership in writing thirty (30) days prior to the applicable Class B dissolution condition or date.

Section 3.5. Initial Assessment. At the time of the first sale of each Lot from the Developer or Sub-Developer to an Owner, there shall be assessed by the Association and collected from each Owner/purchaser an initial assessment equal to \$250.00 for such Lot, to establish and maintain a working capital fund for the use and benefit of the Association.

The purpose of such working capital fund is to insure that the Association will have cash available to meet unforeseen expenditures or to acquire equipment or service deemed necessary by the Association. Such initial assessments shall not be considered as advance payment of regular assessments. The Developer and Sub-Developer shall not be subject to any assessments for lots held for resale and shall not pay any plat fees associated with initial recording of respective subdivision plat.

Section 3.6. Association Management. The Association shall be managed by the Developer or its designee while controlled by the Class B voting rights of the Developer. The Developer may elect a property management company to manage the business and affairs of the Association while under control of the Developer. The Association may require any and all Multi-Family, Regime and Sub-Associations established with respect to any portion of the Subdivision to exclusively utilize the same property management firm as utilized by the Association.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON AREAS

Section 4.1. Owners' Easements of Enjoyment. Subject to the provisions of Section 4.3 below, every Owner shall have a non-exclusive right and easement of enjoyment in and to the dedicated Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 4.2. Title to Common Areas. The Developer hereby covenants for itself, its successors and assigns, that on or before December 31, 2020, it will convey to the Association in accordance with the provisions hereof, by limited warranty deed or deeds, fee simple title to the Common Areas, subject, however, to all liens and encumbrances of record and also subject to the following covenant, which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns:

“In order to preserve and enhance the property values and amenities of the community, the Common Areas and all facilities now or hereafter built or installed thereon shall at all times be maintained in good repair and condition by the Association and shall be operated in accordance with high standards. The maintenance and repair of the Common Areas shall include, but not be limited to, the repair of damage to walkways, buildings, recreational equipment, if any, fences, signs, and utility lines, connections and appurtenances.”

This Section shall not be amended so as to eliminate or substantially impair the obligation for the maintenance and repair of the Common Areas. The Developer may also impose additional covenants on such Common Areas at the time of such conveyance(s)

Section 4.3. Extent of Owners Easements. The rights and easements created hereby shall be subject to the following:

- (a) The right of the Developer and of the Association to dedicate, transfer or convey all or any part of the Common Areas, with or without consideration, to any successor association, governmental body, district, agency or authority, or to any utility company, provided that no such dedication, transfer or conveyance shall adversely affect the use of the Common Areas by the Owners;

(b) The right of the Developer and of the Association, to grant, reserve and accept easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil and other utilities and services, including a cable (CATV) or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Developer to grant and reserve easements and rights-of-way through, over, and upon and across the Common Areas for the completion of the Subdivision, and for the operation and maintenance of the Common Areas;

(c) The right of visitors, invitees, etc., to ingress and egress in and over those portions of the Common Areas that lie within the private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Areas in the case of landlocked adjacent Owners) to the nearest public highway;

(d) The right of the Association, as provided in its By Laws, to suspend the enjoyment rights of any Owner for any period during which any assessment remains unpaid, for a period not to exceed thirty (30) days for any infraction of its published rules and regulations;

(e) The right of the Developer and the Association to establish rules and regulations for the Subdivision and to prescribe fees and charges from time to time for use of the Recreational Amenities.

Section 4.4. Delegation of Owner's Rights. Any Owner may delegate, in accordance with the By Laws of the Association his right of enjoyment to the Common Areas and facilities to his tenants, invitees or licensees.

Section 4.5. Additional Structures. Neither the Association nor any Owner or any group of Owners shall, without the prior written approval of Developer and the Architectural Review Board, erect, construct or otherwise locate or permit the existence of, any structure or other improvement in the Common Areas

Section 4.6. Access. All Owners, by accepting title to Lots conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress and egress to and front such Lot and acknowledge and agree that such access, ingress and egress shall be limited to roads, sidewalks, walkways, and trails located within the Subdivision from time to time, provided that pedestrian and vehicular access to and from all Lots shall be provided at all times.

Section 4.7. Easements for Developer. During the period that Developer owns any Common Area, or owns any Lot primarily for the purpose of sale or has the option to add the Additional Property or any portion thereof to the Subdivision, Developer shall have an alienable and transferable right and easement on, over, through, under and across the Common Areas for the purpose of constructing or improving Lots, any improvements to the Common Areas, the Multi-Family Areas and the Additional Property and for installing, maintaining, repairing and replacing such other improvements to the Subdivision (including the Recreational Amenities and other portions of the Common Areas) as are contemplated by this Declaration or as Developer desires, in its sole discretion, including without limitation any improvements or changes permitted and described in this Declaration, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided that in no event shall Developer have the obligation to do any of the foregoing

Section 4.8. Changes in Boundaries; Additions to Common Areas. Developer expressly reserves for itself and its successors and assigns the right to make minor changes and realignments in the boundaries of the Common Areas and any Lots, Recreational Amenities or Multi-Family Areas owned by Developer, including the minor realignment of boundaries between adjacent Lots, Common Areas, and/or Multi-Family Areas owned by Developer. In addition, Developer reserves the right, but shall not have the obligation, to convey to the Association at any time, and from time to time, any portion of the Additional Property, such real property to be conveyed to the Association as an addition to Common Areas and subject to the other provisions set forth in this Declaration.

Section 4.9. Easements for Utilities. There is hereby reserved for the benefit of Developer, the Association and their respective successors and assigns the alienable, transferable and perpetual right and easement, as well as the power to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person upon, over, under and across: (i) all of the Common Areas; (ii) all portions of the Multi-Family Areas in which Lots are not constructed or erected; (iii) an area across every Lot fifteen (15') feet in width along the front boundary lines thereof, and five (10') feet in width along the side boundary lines thereof, and ten (10') feet in width along the rear boundary lines thereof; for the purpose of installing, replacing, repairing, maintaining and using master television antenna and/or cable systems, security and similar systems, and all utilities, including but not limited to storm sewers and drainage systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by the Developer its successors or assigns, or by the Board of Directors of the Association; provided, however, that for so long as Developer owns any portion of the Common Areas, owns any Lot primarily for the purpose of sale or has the option to add the Additional Property or any portion thereof to the Subdivision, the Board of Directors must obtain the written consent of Developer prior to granting or accepting any such easements. To the extent possible, all utility lines and facilities serving the Subdivision and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or service provider, with respect to the portions of the Subdivision so encumbered! (i) to erect and maintain pipes, lines, manholes, pumps and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems.

Section 4.10. Easements for Walks, Trails and Signs. There is hereby reserved for the benefit of Developer, the Association and their respective successors and assigns, the alienable, transferable and perpetual right and easement upon, over and across: (i) all portions of the Multi-Family Areas in which Lots are not constructed or erected; and (ii) all other lands which may remain unimproved for the installation, maintenance and use of sidewalks, jogging trails, bike paths, traffic directional signs, lagoons, drainage ways, and related improvements.

Section 4.11. 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 property manager employed by the Association and any employees of such manager, to enter upon any lot, or Multi-Family Area 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, occupant or Multi-Family Association, or the Owner(s) or Multi-Family Area affected.

Section 4.12. Sales Offices, Rental Offices, Property Management Offices and Construction Offices. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Developer, its successors and assigns, the perpetual, alienable and transferable right and easement in and to the Property, including the Common Areas, for the maintenance of signs, sales offices, rental offices, property management offices, construction offices, business offices and model or sample Lots, together with such other facilities as in the sole opinion of Developer reasonably may be required, convenient or incidental to the completion, management, rental, improvement and/or sale of Lots, Multi-Family Areas, Common Areas or the Additional Property. The Developer also reserves the right to grant to any Sub-Developer, builder or builders the right to operate and maintain builder's trailers, sales offices and signage at any location within the Subdivision upon such terms and conditions as the Developer in the Developer's sole discretion may establish.

Section 4.13. Easements for Additional Property. There is hereby reserved in the Developer, 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 Subdivision, perpetual, non-exclusive rights and easements for: (i) pedestrian and vehicular access, ingress, egress and parking over, across, within and on all sidewalks, streets, trails, parking facilities and lagoons from time to time located on or within the Common Areas or within easements serving the Common Areas; (ii) the installation, maintenance, repair, replacement and use of security systems and utility facilities and distribution lines, including without limitation drainage systems, storm sewers and electrical, gas, telephone, water, sewer and master television antenna and/or cable system lines; and (iii) drainage and discharge of surface water onto and across the Subdivision, provided that such drainage and discharge shall not materially damage or affect the Subdivision or any improvements from time to time located thereon.

Section 4.14. Maintenance Easement. Subject to the other terms of this declaration, there is hereby reserved for the benefit of the Developer, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement to enter upon any unimproved portions of any Lot or Multi-Family Area for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety and appearance within the subdivision; provided that such easements shall not impose any duty or obligation upon the Developer or the Association to perform any such actions. Furthermore, there is hereby reserved for the benefit of the Developer, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement, but not the obligation, to enter upon any unimproved portions of Lots or Multi-Family Areas which are located within twenty (20') feet from the water's edge of any lagoon, pond or other body of water within the subdivision for the purpose of mowing such area and keeping same clear and free from unsightly growth and trash, as well as for the purpose of maintaining such body of water, such maintenance to include, without limitation, dredging and the maintenance of reasonable water quality standards.

Section 4.15. Environmental Easement. There is hereby reserved for the benefit of the Developer, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement on, over and across all unimproved portions of the Common Areas, Lots and Multi-Family Areas for the purposes of taking any action necessary to effect compliance with environmental rules, regulations and procedures from time to time promulgated or instituted by the Board of Directors or by any governmental entity, such easement to include without limitation the right to implement erosion control procedures and practices, the right to drain standing water and the right to dispense pesticides.

Section 4.16. Wells and Effluent. There is hereby reserved for the benefit of Developer, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement: (i) to pump water from lagoons, ponds and other bodies of water located within the Subdivision for the purpose of irrigating any portions of the Subdivision and for other purposes; (ii) to drill, install, locate, maintain and use wells, pumping stations, water towers, situation basins and tanks and related water and sewer treatment facilities and Systems within the Common Areas, including within any portion of the Recreational Amenities; or (iii) to spray or locate any treated sewage effluent within the Common Areas, including within any unimproved portion of the Recreational Amenities.

Section 4.17. No Partition. There shall be no judicial partition of the Subdivision or any part thereof, nor shall any person acquiring any interest in the Subdivision or any part thereof seek any such judicial partition unless the Subdivision has been removed from the provision of this Declaration.

Section 4.18. Office of Ocean and Coastal Resource Management. NOTICE IS HEREBY GIVEN OF THE RESTRICTION THAT AS TO ANY PORTION OF ANY LOT WITHIN THE SUBDIVISION WHICH MAY CONTAIN SUBMERGED LAND OR OTHER CRITICAL AREAS, ALL ACTIVITIES ON OR OVER AND ALL USES OF SUCH LAND OR OTHER CRITICAL AREAS ARE SUBJECT TO THE JURISDICTION OF O.C.R.M. ANY OWNER IS LIABLE TO THE EXTENT OF SUCH OWNERS OWNERSHIP FOR ANY DAMAGES TO, ANY INAPPROPRIATE OR UNPERMITTED USES OF, AND ANY DUTIES OR RESPONSIBILITIES CONCERNING ANY SUBMERGED LAND, COASTAL WATERS OR OTHER CRITICAL AREAS.

Section 4.19. Federal, State and Local Agency Jurisdiction. Notice is hereby given of the Restriction that all activities and use of the land to include lots, common areas and unimproved land within the Community, is subject to laws, rules and regulations of any Federal, State or Local Agency with lawful jurisdiction. Any Owner is liable to the extent of such Owner's ownership for any damages to or any inappropriate or permitted uses of the property.

ARTICLE V

RIGHT OF ASSOCIATION TO ALTER, IMPROVE, MAINTAIN AND REPAIR COMMON AREAS AND PORTIONS OF LOTS

Section 5.1. The Association shall have the right to make or cause to be made such alterations, modifications, improvements, repairs, maintenance and replacements to the Common Areas and the portions of Lots set forth herein, and the cost thereof shall be assessed as Common Expenses and collected from the Owners on an equal basis.

Section 5.2. Responsibilities of Owners and Multi-Family and Sub-Associations. Unless specifically identified herein or in a Multi-Family Declaration as being the responsibility of the Association or a Multi-Family Association, all maintenance and repair of Lots, together with all other improvements thereon or therein and all lawns, landscaping and grounds on and within a Lot shall be the responsibility of the Owner(s) of such Lot. Unless otherwise provided in the appropriate Multi-Family Declaration, the maintenance and repair of all Common Areas or common elements located within Multi-Family Areas (including all landscaping and grounds and all recreational facilities and other improvements located within such Multi-Family Area) shall be the sole responsibility of the appropriate Multi-Family Association. Developer shall be responsible for Developer-owned properties. Each Owner or Multi-Family Association shall be responsible for maintaining such Owner's Lot or Multi-Family Area, as the case may be, in a neat, clean and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all buildings and other structures. All attendant lawns, trees, shrubs, hedges, grass, natural areas, and other landscaping shall be maintained by the Owner(s) thereof. As provided in Section 5.3(b) hereof, each Owner or Multi-Family 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 or Multi-Family Association, but which responsibility such Owner or Multi-Family Association fails or refuses to discharge. No Owner or Multi-Family Association shall: (i) decorate, change or otherwise alter the appearance of any portion of the exterior of a structure on any Lot or within a Multi-Family Area unless such decoration, change or alteration is first approved, in writing, by the Architectural Review Board, as otherwise provided herein; or (ii) do any work which, in the reasonable opinion of the Architectural Review Board, would jeopardize the soundness and safety of the Subdivision, 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 Mortgagees of the Lots directly affected thereby or benefiting from such easement or hereditament.

Section 5.3. Association's Responsibility.

(a) Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, which responsibility shall include the maintenance, repair and replacement of: (i) all Common Areas, walks, trails, lagoons, ponds bike trails, jogging paths, landscaped areas/natural areas and other improvements situated within the Common Areas or within easements encumbering Lots, or Multi-Family Areas; (ii) such security systems and utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the Common Areas and which are not maintained by the Developer or a public authority, public service district, public or private utility or other person; and (iii) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within the Common Areas as they may be constituted from time to time. The Association shall not be liable for injury or damage to any person or property (A) caused by the elements or by any Owner or any other person, (B) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (C) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system or utility line or facility, the responsibility of 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 or left in or upon any portion of the Common Areas or any other portion of the Subdivision. No diminution or abatement of assessments or any dues or 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 being a separate and independent covenant on the part of each Owner. The Developer intends that all roads providing access to Lots within the Subdivision shall be dedicated as public roads to the appropriate governmental entity and at the appropriate time, at the sole option of the Developer.

(b.) In the event that the Developer or the Board of Directors determines that: (i) any Owner or Multi-Family Association has failed or refused to discharge properly his, her or its obligations with regard to the maintenance, cleaning, repair or replacement of items for which he or it is responsible hereunder; or (ii) 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, the Developer or the Association, except in the event of an emergency situation, may give such Owner or Multi-Family Association written notice of the Developer's or the Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner or Multi-Family Association, as the case may be, and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner or Multi-Family Association, as the case may be, shall have fifteen (15) days within which to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any owner or Multi-Family Association to comply with the provisions hereof after such notice, the Developer 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 or Multi-Family Association, as the case may be, and said cost shall be added to and become a part of the assessment to which such Owner and his Lot are subject and shall become a lien against such Lot, or, in the case of a Multi-Family Association, shall be added

to and become a part of the assessments for all Owners within such Multi-Family Association and shall become a lien against such Owners' Lots. In the event that the Developer undertakes such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse the Developer for the Developer's costs and expenses.

Section 5.4. Sub-Associations. Nothing contained herein shall preclude the Developer or any Sub-Developer, with the Developer's prior written consent, from establishing a sub-Association, the purpose of which is to provide for improvement, repair and maintenance of a particular tract or section of the Subdivision. Any assessments, rules, regulations and guidelines established by such Sub-Associations shall be in addition to and not in lieu of the covenants, conditions, restrictions, easements and assessments established in this Declaration, and to the extent there is any conflict between the covenants and restrictions of such Sub-Associations and those set forth herein, then in such event the provisions of this Declaration shall control.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges for the maintenance of the Common Areas, including such reasonable reserves as the Association may deem necessary, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs of collection, and reasonable attorney's fees for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with interest, costs of collection, and reasonable attorney's fees for the collection thereof, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 6.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners in the Subdivision (and their respective families, guest, tenants and invitees) and for the improvement, protection, replacement, operation, and maintenance of the Common Areas and Recreational Amenities and for the provision of various forms of insurance for the Association, its property (including the dedicated common Areas and Recreational Amenities), members, directors, officers, employees and agents, and for the provision of necessary and reasonable services for and other expenses of the Association

Section 6.3. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas including fixtures and personal property related thereto, or for any other purpose set forth in the By Laws of the Association. So long as the total amount of special assessments allocable to each Lot does not exceed Five Hundred and no (\$500.00) Dollars in any one fiscal year, the Board of the Association may impose the special assessment. Any special assessment which would cause the

amount of special assessments allocable to any Lot to exceed this limitation shall be effective only if such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Special assessments shall be paid as determined by the Board of Directors, and the Board may permit special assessments to be paid in installments extending beyond the fiscal years in which the special assessment is imposed.

Section 6.4. Notice and Quorum for Any Action Authorized Under Section 6.3. Written notice of any meeting called for the purpose of taking any membership action authorized under section 6.5 above shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast a majority of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 6.5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots (whether improved or unimproved) and may be collected on a monthly, quarterly or annual basis.

Section 6.6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Lot on the date that such Lot is conveyed by the Developer or Sub-Developer to an Owner. The first annual assessment shall be adjusted according to the number of days remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 6.7. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate equal to the lesser of (a) eighteen (18%) percent per annum or (b) the maximum rate provided by applicable law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot (as in the foreclosure of a mortgage), or both. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

Section 6.8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first Mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any deed or other proceeding in lien thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 6.9. Exempt Property. The following property, individuals, partnerships or

corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- (a) The grantees in conveyances made for the purposes of granting utility easements.
- (b) Owners of all open space and common properties.
- (c) All lands below the mean high water mark.
- (d) Unsubdivided land and/or undeveloped residential lots owned by the Developer or Sub-Developer, except as provided in Section 6.6.
- (e.) Improved lots owned and held by the Developer or Sub-developer for resale or otherwise.

ARTICLE VII

USE RESTRICTIONS

Section 7.1. Conformity and Approval of Structures. No structure, fence, sidewalk, wall, drive or other improvement shall be placed or altered on any Lot except in accordance with the provisions of this Declaration.

Section 7.2. Architectural Review Board Approval. No changes or additions to buildings, fence, wall, dock or other structures, and no change in topography, landscaping, grading, filling or any other item shall be commenced, erected or maintained upon any portion of Subdivision, nor shall any exterior addition to or change be made until the plans and specifications (including but not necessarily limited to all elevations, a complete landscaping, on of the Subdivision, nor shall any exterior addition to or change be made until the plans and specifications (including but not necessarily limited to all elevations, a complete landscaping plan for the Lot and a complete tree survey of the Lot) showing the grading, filling, nature, kind, size, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to the harmony of the external design and location in relation to the surrounding structures and topography by the Architectural Review Board/Developer. Any change in exterior appearance of any building, wall, fence or other structural improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The Developer shall control the Architectural Review Board as long as it has ownership of at least one (1) lot. The ARB may be turned over to the association anytime at its discretion. Such Architectural Review Board shall be comprised of not less than three (3) representatives to be appointed by the Developer or Association whichever has control; provided, further, that the Developer may transfer its rights of approval under this Declaration prior to its selling all of the Lots in the subdivision if it so chooses. The transfer of control shall not be mandatory on the part of the Developer until the last lot is sold or if the Developer has brought any portion of the Additional Property under the terms of this Declaration. The Developer or the Architectural Review Board shall require a minimum application fee of \$50.00 with each request or submission of plans or specifications; provided, however, that the Developer or Sub-Developer shall not be charged a fee. The Architectural Review Board shall have the power and authority to adjust the application fee at any time. In the event the Architectural Review Board fails to approve or disapprove any request within thirty

(30) business days after complete written plans and specifications have been submitted to it, the same shall be deemed approved, and this article shall be deemed to have been fully complied with, provided, however, that no such failure to act shall be deemed an approval of any matters specifically prohibited by any other provisions of this Declaration. Refusal or approval of plans, specifications and plot plans or any of them may be based on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Developer or the Architectural Review Board may deem sufficient. Neither Developer nor any member of the Architectural Review Board shall be responsible or liable in any way for any defects in any plans or specifications approved by the Architectural Review Board, nor for any structural defects in any work done according to such plans and specifications approved by the Architectural Review Board. Further, neither Developer nor any member of the Architectural Review Board shall be liable for damages to anyone submitting plans or specifications for approval under this section, or to any owner of property affected by this Declaration by reason of mistake in judgment, negligence, or non-feasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the Architectural Review Board for approval agrees, by submission of such plans and specifications, and every Owner of any Lot agrees, that he will not bring any action or suit against Developer, or any member of the Architectural Review Board, to recover for any such damage. No approval of plans, location or specifications shall be construed as representing or implying that such plans, specifications or standard will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good workmanlike manner. Neither the Developer, the Association nor the Architectural Review Board shall be responsible or liable for any defects in any plan or specification submitted, revised or approved under these covenants nor for any defects in construction pursuant to such plans and specifications. The property owner shall have sole responsibility for compliance with approved plans and does hereby hold the Architectural Review Board and the Developer harmless for any failure thereof caused by the property owners architect or builder. Any and all costs incurred by the ARB or Association related to enforcement of ARB Guidelines or Covenants and Restrictions, including legal fees and costs, shall be the sole responsibility of the property owner in Non-Compliance with the guidelines and/or covenants

Section 7.3. Objectives- of The Architectural Review Board. Architectural and design review shall be directed towards attaining the following objectives for the Property

- (1) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms.
- (2) Ensuring that the location and configuration of structures are visually harmonious with the terrain, with the vegetation of the residential lot and with surrounding residential lots and structures, and does not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape
- (3) Ensuring that the architectural design of structures and their materials and colors are visually harmonious with the Property's overall appearance, history and cultural heritage, with surrounding development, with natural land forms and native vegetation, and with development plans, officially approved by the Owner, or any governmental or public authority, if any, for the areas in which the structures are proposed to be located.

(4) Ensuring the plans for landscaping provide visually pleasing settings for structures on the same lot and on adjoining or nearby lots and blend harmoniously with the natural landscape

Section 7.4. Fences. No fences whatsoever shall be erected or allowed to remain in the Subdivision without written approval from the Developer or Architectural Review Board. The Guidelines and Specifications for fences shall be as follows:

- (a.) All fences built on any lot in the Subdivision shall be erected completely behind and within the back two corners of the house structure. No fences whatsoever shall come off any sides of any house or structures in the Subdivision.
- (b.) All fences built on any lot in the Subdivision shall be no higher than four (4') feet.
- (c.) All fences shall be built no closer than twenty (20') feet from the rear property line. The fence setback may be greater for lots located on the marsh or lagoons.
- (d.) No fences shall be built in any easements, wetlands, or wetland buffer that exists on the lot.
- (e.) Landscaping may be required and enforced by the Architectural Review Board in certain situations to help buffer visibility of fences. Said fences shall be allowed only after obtaining prior written approval of the Developer / Architectural Review Board.
- (f.) Each community within the subdivision may be subject to specific fencing rules regulation and requirements as approved by the Developer. Said fences shall be treated wood or painted to match the colors of the siding on the principal house structure. No fences shall be permitted which obstruct the view of any marsh, creek, lake or other body of water when viewed from inside any adjacent lot. The Developer/Architectural Review Board reserves the right to approve any type of fencing in any of the Common Areas.

Section 7.5. Residential Use of Lots. All Lots shall be used for single-family residential purposes exclusively. No structures, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family dwelling (except as to Lots devoted to Multi-Family use), provided, however, that nothing contained herein shall be construed to prevent the Developer or any Sub-Developer from maintaining one or more model homes and/or sales offices in the Subdivision for the purpose of selling, leasing or managing Lots or other property in or near the Subdivision. No accessory structures or outbuildings, whether or not attached to the principal residence (including but not necessarily limited to carports, storage sheds, dog houses, awnings, breezeways, covered swimming pools and the like) shall be constructed or allowed to remain on any Lot unless approved by Developer or the Architectural Review Board. Provided, however, that the Developer may construct attached storage compartments, screened-in rear porches and rear sun rooms as an integral part of the principal residence. Provided, further, however, that an Owner, after application to and written approval by the Architectural Review Board, may construct attached storage compartments, screened-in rear porches and rear sun rooms as an integral part of the principal residence, if and only if such construction and improvement is consistent with the design of the principal residence and with the standards of construction prevailing in the Subdivision.

Section 7.6. Prohibition Against Business Activity "Time Sharing" Use. No business activity, including but not limited to, a rooming house, boarding house, gift shop, antique shop, professional office or beauty/barber shop or the like or any trade of any kind whatsoever shall be carried on-upon or in any Lot. Provided, however, that nothing contained herein shall be construed so as to prohibit home occupations (i.e., any occupation on a Lot and clearly incidental thereto, carried on by a member of the family resident of the premises is employed, so long as no stock in trade is kept or commodities sold, no mechanical equipment is used except such that is normally used for family, domestic, or household purposes, and there is no exterior indicating that the building is being used for any purpose other than a dwelling), or the construction of houses to be sold on said Lots or the showing of said Lot for the purpose of selling or leasing Lot in the Subdivision. Nothing herein shall be construed to prevent the Developer from erecting, placing or maintaining signs, structures and offices as it may deem necessary for its operation and sales or lease or management of Lots in the Subdivision. Provided, however, that nothing herein contained shall prevent the Developer from erecting and maintaining sales and marketing signs in Common Areas or on other property owned by the Developer. No Lot or structure shall be "time shared", nor shall any Lot or structure be owned, used or operated in violation of the statutory provisions regulating Vacation Time Sharing Plans, S.C. Code Ann Sections 27-32-10 ET SEQ., as the same may be amended from time to time, nor shall any Lot or structure be owned, used or operated so as to constitute such Lot or structure as a "time sharing unit" within the meaning of such statutory provisions.

Section 7.7. Association Office. Nothing in this Declaration shall be construed to prohibit the Association from constructing, operating and maintaining a facility for use as its office and headquarters, for the benefit of the Association and its members, provided that such facility shall first be approved in all respects in writing by the Developer.

Section 7.8. Temporary Structures. No structure of a temporary character shall be placed upon any Lot at any time, provided, however, that this prohibition shall not apply to shelters approved by the Developer and used by the contractor during construction of a house, it being clearly understood that the latter temporary shelters may not, at any time, be used for residence or permitted to remain on the Lot after completion of construction. No trailer, mobile home, double-wide, park model trailer, motor home, tent, barn, camper, bus, tree house or other similar vehicle, out-building or structure shall be placed on any Lot or on any portion of the Common Areas at any time either temporarily or permanently.

Section 7.9. Mining and Drilling Prohibition. No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, and no derrick or other structure designed for use in boring for oil or natural gas shall be stored, erected, maintained or permitted in the Subdivision

Section 7.10. Use and Height Restrictions. No structure shall be erected, placed or permitted to remain on any single-family Lot other than one detached single-family residential dwelling, not to exceed two and one-half stories in height, and in no instance shall any residence exceed forty (40') feet in height above grade. For purposes of this Section, the first parking level or deck underneath a building built at or above grade shall not be considered a story.

Section 7.11. Setbacks and Building Lines. Each dwelling which shall be erected on any Lot shall be situated on such Lot in accordance with the building and setback codes of the Town of Mount Pleasant, South Carolina.

However, in each case individual setbacks and sidelines must be approved by the Developer or Architectural Review Board for its aesthetic value and the Developer or Architectural Review Board may require a more stringent setback so long as the required setback does not violate the setback requirements of the Town of Mount Pleasant, South Carolina. The Developer or Architectural Review Board shall have the power and authority to promulgate and publish setback requirements for each lot. In certain cases, the Developer or Architectural Review Board may require an owner to seek a variance from the Town of Mount Pleasant, South Carolina if necessary to protect important trees/vistas or to preserve aesthetic value. Set backs and building lines shall vary in each community throughout the Subdivision and shall be set forth as specific restrictions in Exhibits B through H.

Section 7.12. Timely Construction Progress. Once construction of improvements on a residence is started on any Lot, the improvements must be completed within twelve (12) months from commencement of construction and all landscaping must be complete. All construction sites must be maintained. In an orderly fashion and all construction debris must be placed in a trash container or removed within forty-eight (48) hours.

Section 7.13. Material Restriction. All structures constructed or placed on any Lot shall be built of substantially new material and no used structures shall be relocated or placed on any such Lot. Natural materials are strongly encouraged. Vinyl siding (sheathing) is strictly prohibited. All materials must be approved by the Architectural Review Board.

Section 7.14. Re-Building Requirement. Any dwelling or out-building on any Lot which may be destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be rebuilt or all debris removed and the Lot restored to a natural condition with reasonable promptness. Provided, however, that in no event shall such debris remain longer than three (3) months.

Section 7.15. Elevation and Drainage Changes. No changes in the elevation, topography or drainage characteristics of the Subdivision shall be made on the premises without the prior written approval of the Developer nor shall any fill be used to extend any property beyond any boundary line of any waterfront property.

Section 7.16. Tree Removal. No trees or bushes of any kind having a diameter of four (4") inches or more (measured from a point two (2') feet above the ground level) shall be removed from any Lot without the express written authorization of the Developer or Architectural Review Board. The Developer or Architectural Review Board shall further have the authority to require any Owner removing a tree in violation of this clause to replace same at such Owner's cost. The Developer or Architectural Review Board reserves the right to have specimen trees preserved and to have site planning provide for their preservation.

Section 7.17. Clothesline. No clothesline or drying yards shall be located upon the premises so as to be visible from any Common Area or other dwellings.

Section 7.18. Water Systems. No individual water supply system shall be permitted upon any Lot with the exception of a shallow well to be used for irrigation purposes only, which shallow well shall be approved in writing all respects, including the pump and the covering or screen thereof and method of operation by the Developer, its successors or assigns, prior to installation.

Section 7.19. Sewer System. No surface toilets or septic tanks are permitted in the Subdivision (other than those utilized for a designated model home complex by the Developer) A purchaser of a dwelling assumes responsibility for attaching to public sewer system including all fees associated therewith. All plumbing fixtures, dishwashers, toilets or sewage disposal system shall be connected to the central sewer system of the Subdivision.

Section 7.20. Garbage Disposal. Each Owner shall provide garbage receptacles or similar facilities in accordance with reasonable standards established by the Developer, which shall be visible from the streets on garbage pickup days only. No garbage or trash incinerator shall be permitted upon the premises. No burning, burying or other disposal or garbage or trash on any Lot or within the Subdivision shall be permitted. Provided, however, that Owner shall be permitted to modify the requirements of this Section where necessary to comply with orders of governing bodies or their franchisees.

Section 7.21. Sign Controls. No signs of any character shall be erected on any Lot or displayed to the public on any Lot except "For Sale" signs or signs indicating the name of one contractor only (not subcontractors) during the period of sale or construction only. Contractor signs, sale signs and resale signs for Tract E must be purchased through the developer and will be consistent in design, color, size and shape. No other signage will be approved or acceptable. Signs shall only refer to the premises on which displayed, and shall be located within fifteen (15') feet of the main structure but no less than twenty-five (25') feet from the front street right-of-way and shall be only signage approved by the ARB. This restriction shall not apply to signs used to identify and advertise the Subdivision as a whole, nor to signs for selling and/or houses during the development and construction period, which period shall not exceed twenty (20) years from the date hereof, provided such signs are approved by the Developer or Architectural Review Board. Also, the provisions of this Section shall not apply to anyone who becomes the owner of any Lot as purchaser at a judicial or foreclosure or as transferee pursuant to any proceedings in lieu thereof.

Section 7.22. Natural Buffer Zone. The Developer has established or will establish certain natural buffer zones running parallel to the main right-of-way running through the Subdivision. The natural buffer zone is hereby designated as Common Area and shall be maintained by the Association for the benefit of the Lot Owners. No Lot Owner or any Lot Owner's family, guests, agents or employees shall disturb the natural buffer zone in any manner and/or for any reason. Owners of Lots adjoining said natural buffer zone shall be responsible for advising their contractor or subcontractors of the natural buffer zone and will ensure no encroachment or clearing of said area. If the natural buffer zone is disturbed, the Lot Owner responsible will be required to pay all costs incurred by the Developer and the Association as a result of its attempt to restore the area to its natural state and as a result of such action as is required by the Town of Mount Pleasant.

Section 7.23. Exclusion of Above Ground Utilities. All electrical service, wires, pipes, lines, telephone, cable television (CATV) lines and utility services of any type shall be placed in appropriate conduit underground and no outside electrical lines shall be placed overhead. No exposed or exterior radio or television transmission or receiving antenna shall be created, placed or maintained on any part of the Subdivision except those master facilities approved by the Developer. Provided, however, that the normal service pedestals, etc., used in conjunction with such underground utilities shall be permitted within the Subdivision. Overhead utilities shall be permitted during the construction period and until utility companies can place them underground.

Section 7.24. Antennas. No exterior antennas of any kind shall be placed, allowed or maintained upon any portion of the Subdivision, including any Lot, without the prior written consent of the Developer. No free standing antennas whatsoever shall be placed on any Lot. However, the Developer reserves the right to (but shall not be obligated to) erect a master antenna, satellite dish or other similar master system for the benefit of the Subdivision as a whole. Satellite dishes (not to exceed 18" in diameter) are permissible. The Architectural Review Board must be notified and the location must be approved by the Developer or Architectural Review Board. These dishes must not be visible from any street.

Section 7.25. Certain Vehicles Prohibited From Lots. No travel trailers or mobile homes, campers or other habitable motor vehicles of any kind, whether self-propelled or not, school buses, motorcycles, trucks, or commercial vehicles, or boat trailers or boats shall be kept, stored or parked overnight, either on any Common Area, specifically including streets and guest parking areas, or any Lot.

Section 7.26. Junk or Disabled Vehicles. No stripped, partially wrecked, unlicensed or invalidly licensed, disabled or junk motor vehicle, or part hereof, shall be permitted to be parked or kept in the Subdivision.

Section 7.27. Motorcycles. The Association shall have the authority to prohibit the use, of non-muffled motorcycles in the Subdivision.

Section 7.28. Pets. No animals, livestock, birds, or fowl shall be kept or maintained on any part of the Subdivision except dogs, cats, pet fish and birds which may be kept thereon in reasonable numbers (not to exceed three) as pets for the pleasure and use of the property Owner but not for any commercial use or purpose. All animals must be kept on a leash when they are outside the Owner's dwellings on a Lot and must not become a nuisance to other residents by barking or other acts. Non-owners (e.g. rents or lessees) may not keep any pets on any part of the Property, without prior written approval of the Owner, said approval to be filed with the Association.

Section 7.29. Perimeter Access. There shall be no access to any Lot on the perimeter of the Subdivision except from designated roads within the Subdivision, provided, however, that Developer reserves the right to construct and operate temporary construction roads during the construction and development period.

Section 7.30. Rental Period. Homes may be rented for residential purposes only and for rental periods not less than six (6) months. A Home may not be entered into rental or lease agreement more than two (2) times in a one year period. The Homes shall be restricted to residential rental not to exceed one family occupying the unit.

Tenants are subject to the same By-Laws, Rules, Regulations and Covenants & Restrictions as the Owner. The Owner shall have the responsibility of tenant compliance with the Declaration and By-Laws.

Section 7.31. Prohibition of Open Outdoor Storage. No junk, debris or materials of any kind shall be stored on a Lot other than in an approved enclosed structure, which shall be attached to the principal dwelling or in a manner that is visible from any other Lot, Common Area, street, easement or amenity area. Firewood and bicycles may be stored outside in rear yards only, provided they are not visible from any Common Area, easement, street or amenity area.

Section 7.32. Prohibition of Accessory Structures. No dog houses, garages, carports, or any other accessory structure shall be constructed upon any Lot, except an attached storage compartment, garage, accessory building, porch, swimming pool, swing set and similar play structure which has been approved in writing by the Developer or the Architectural Review Board prior to installation or construction.

Section 7.33. Nuisances. No noxious or offensive activity shall be carried on upon or in any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or a nuisance to the neighborhood, including Common Areas, other homesites, easement areas or residences. No trash, leaves or rubbish may be burned on any Lot or within the Subdivision nor shall there be maintained any plants, poultry, animals (other than household pets) or device or thing of any sort, the normal activities or existence of which is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the Owner thereof.

Section 7.34. Landscaping. The Developer reserves the right to reasonably restrict the placement of landscaping, fences or other impediments to the enjoyment of views from and of adjoining Common Areas or Recreational Amenity Areas. Common Area landscape may not be modified, supplemented or altered in any manner without the written approval of the Association and the Architectural Review Board. Each Owner shall be responsible for maintaining their own yard and landscape commensurate with the standards set forth within the overall community. Although landscape on private property may be modified or supplemented, it is subject to regulation and approval by the Architectural Review Board.

Section 7.35. Special Hazards. Each Owner accepts and assumes all the risks and hazards of ownership or occupancy attendant to the ownership of such Lot, including but not limited to its proximity to any recreational facility or Common Area or the marsh and other bodies of water. Specifically, the Developer does hereby disclaim any and all liability for any property damage or personal injury resulting from erosion along the bank of the marsh, and all ditches, streams, lakes, lagoons or other bodies of water or watercourses located in the Subdivision.

Section 7.36. Additional Restrictions for Lots Fronting Lagoons, Wetlands and Marsh.

- (a.) No foliage or vegetation on lagoons or marsh shall be removed or altered without permission of the Developer and the Architectural Review Board.
- (b.) A lagoon owner shall maintain and mow the area between the Lot line and the lagoon even though such area may be owned by the Association or others.

(c.) No dock, pier, or wharf shall be constructed on any lagoon and no dock, pier, or wharf shall be constructed on the marsh without the approval of the Developer or Architectural Review Board and the Association. In order to obtain such approval, it will be necessary to submit plans specifying the location, color, height, finish and, other details of such proposed facility. The Developer also reserves the right to require uniformity of design and to submit approved designs for docks, piers, or wharfs. The Developer and the Architectural Review Board have the right to disapprove such plans on any grounds including aesthetic consideration. Any approved dock, pier, or wharf must be well maintained by the Owner and, if not maintained as required, enforcement of this requirement may be enforced as provided herein in cases of violations of these covenants

(d.) **DHEC O.C.R.M. Critical Line Buffer** A stormwater quality buffer shall be provided at an average of twenty-five (25') feet with a minimum of ten (10') feet landward of the established critical line indicated here to provide natural vegetal filtration across which non-point source runoff from residential yards shall flow prior to entering adjacent tidal marshes (to remove/reduce fertilizers, pesticides, and or pet waste). No clear cutting, filling, excavation, or construction activity (other than necessary for permitted drainage or dock access structures) or other permanent structures shall be allowed within this buffer. Limited clearing of trees and ground cover shall be allowed to provide and maintain adequate sight vistas. Only indigenous vegetation shall be planted within buffer areas: species of grasses, shrubs, and trees which require fertilization shall not be allowed. All limited clearing, thinning, and new plantings shall be subject to inspection and approval by the SC DHEC O.C.R.M. This buffer requirement is subject to change by O.C.R.M. or Town of Mt. Pleasant Ordinance. The Developer shall not be responsible for buffer changes made by Municipal or State Government and shall be indemnified and held harmless for any and all damages or negative impact to properties within the Subdivision.

Section 7.37. Traffic Regulations. Traffic regulations on all roads and streets within the Subdivision will be enforced under the provisions of the South Carolina Uniform Act for regulating traffic to private roads. A speed limit of 25 MPH is established on all roads and streets and all traffic control signs, including but not limited to speed limit, stop, directional and no parking signs will be enforced. Parking on street curbs and yards should be discouraged and may be addressed by the ARB.

Section 7.38. Encroachments. No Owner or individual shall alter in any way any Common Area except with the written permission of the Association provided that such activity is required for the benefit of the Association or the Subdivision as a whole.

Section 7.39. Subdivision of Lot: Easements and Encroachments. No Lot shall be subdivided except as hereinafter provided and no building or residence, including porches or projections of any kind, shall be erected so as to extend over or across any of the building lines as hereinafter established. Provided, however, if any portion of any Common Area unintentionally encroaches upon a Lot or any part thereof, whether by settlement or otherwise, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of improvements to a Lot or Lots encroaches upon the Common Area or any portion thereof, whether by settlement or otherwise, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist.

In the event any improvement or part thereof is partially or totally destroyed and then rebuilt, any encroachment of any Common Area upon a Lot or Lots or encroachment of a Lot or Lots upon any Common Area or upon an adjoining Lot or Lots resulting because of such rebuilding, shall be permitted, and a valid easement shall exist for the maintenance of such encroachments so long as the same stand. Such encroachments and easements shall not be considered or determined to be encumbrances either on any Common Area or any Lot or Lots, and no Owner shall be entitled to damages or injunctive relief because of the construction, re-construction or maintenance thereof.

Section 7.40. Increased Size of Lots. Lot or Lots may be subdivided provided the effect is to increase the size of the adjoining Lot or Lots. In such cases, the Developer may alter the building or set-back lines to conform to the re-subdivided Lot(s). Should the Owner or Owners of any Lots and/or portions of Lots which have been combined for a single building site subsequently wish to revert to the original plan of subdivision, or make any other combination which would not be in violation of this restriction, that may be done only if the written consent of the Developer is first had and obtained. In such instances, the adjoining Lot Owners, or other Owners in the Subdivision shall not have the right to pass on or interfere with such Lot rearrangement. such rights shall be exclusively that of the Developer or any successors or assigns to whom the Developer may expressly have transferred such rights, but the purchaser of any Lot in the Subdivision does not, by virtue of his status as a purchaser, become any such successor or assign.

Section 7.41. Alteration of Building Lines in the Best - Interest of Development. Where because of size, natural terrain, or any other reason in the sole opinion of the Developer, it would be to the best interest of the Development of this Subdivision that the building lines of any Lot should be altered or changed, then the Developer reserves unto itself, its successors and assigns, and no other, the right to change said lines to meet such conditions. The Developer specifically reserves the right to transfer and assign this right of change of building lines to the Association or the Architectural Review Board herein established.

Section 7.42. Replating of Lots. No Lot shall be subdivided by an Owner, or its boundary lines changed, except as herein provided. However, the Developer hereby expressly reserves to itself, its successors and assigns, the right to re-plat any one or more Lots owned by the Developer shown on the plat of said Subdivision prior to delivery of the deed therefor in order to create a modified building Lot or Lots. The restrictions and covenants herein apply to each such building Lot so created or recreated.

Section 7.43. Building Requirements. The Living Space of the main structure on any Lot shall not be less than the following minimums:

<u>Lots</u>	<u>Minimum Square Feet of Living Space</u>
Tract A Lots	See Exhibit B
Tract B Lots	“ “ C
Tract D Lots	“ “ D
Tract E Lots	“ “ E
Tract F Lots	“ “ F

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

Section 7.44. Lakes and Lagoons. The lakes and lagoons within the Subdivision are not designed for boating, swimming or bathing purposes and the same is prohibited. No docks, landings or other structures may be located in or adjacent to any lake or lagoon without the prior written consent of the Developer or Architectural Review Board. Fishing shall be permitted within the lakes so long as all regulations of the South Carolina Wildlife and Marine Resources Department, as the same may be changed from time to time, are strictly observed. No water may be withdrawn from any lake or lagoon for any reason by any Owner. All property owners adjacent to the lakes and lagoons shall be prohibited from using insecticides, pesticides and other hazardous materials within twenty-five (25') feet of such lakes or lagoons.

Section 7.45. Utility Company Requirements.

(a) Each Lot owner, lessor, and/or such owner's and lessor's heirs, successors and assigns, agree to pay the South Carolina Electric and Gas Company, or any successor or substitute electric utility company regulated by the South Carolina Public Service Commission, a monthly charge, plus applicable State of South Carolina sales tax, for operation and maintenance of street lighting systems.

(b) Each Lot owner, lessor, and/or such owner's and lessor's heirs, successors and assigns shall contact the South Carolina Electric and Gas Company three (3) business days prior to any digging or excavation work on said property including, but not necessarily limited to, swimming pool installations, trenching or any type of digging. Upon notification by the Lot owner, lessor, and/or such owner's and lessor's heirs, successors and assigns, a field survey will be conducted by the South Carolina Electric and Gas Company personnel to insure that there are not conflicts with such utility company's safety requirements. An excavation in violation of such utility company's safety requirements is expressly prohibited.

Section 7.46. Gardens, Basketball Goals, Flags, Etc. Grass, ornamental plants and shrubbery (and only the foregoing) may be planted in the front or side yard of any Lot, except that all other planting in these yards may be done only with the prior written approval of the Developer or Architectural Review Board or in accordance with guidelines previously established by the Board. No vegetable garden, hammocks, statuary or recreational equipment may be placed, erected, allowed or maintained upon the front or side yard of any Lot without the prior written consent of the Board or its designee. This provision shall not, however, apply to basketball goals. Permanent basketball goals are strictly prohibited. Portable goals are permissible but location must be unobtrusive and properly stored when not in use. The ARB may dictate specific location of the goal when in use. Flags will only be allowed to be displayed for the celebration of National Holidays and shall be stored immediately afterwards. All other flags are strictly prohibited.

Section 7.47. Lighting. The following exterior lighting may be installed without the necessity of obtaining the prior approval of the Board or its designee: (a) seasonal decorative lights during the Christmas season; (b) illumination of other than the front or side yard.; or a Lot; (c) illumination of a model home and entrance features constructed by the Developer; and (d) other lighting originally installed by the Developer. Plans for all other exterior lighting must be submitted and approved in accordance with Section 7.2.

Section 7.48. Sight Distance at Intersections. All Lots at street intersections shall be so landscaped as to permit safe sight across the street corners. No fence, wall, hedge or shrub planting shall be placed or permitted to remain at the corner of a Lot where this would create a traffic or sight problem. Street lighting may not be supplemented in any form. Lighting must not be obtrusive or offensive to other property owners, or it may be removed by the Association. Lighting type, size, watts and location may be restricted at the discretion of the Association, Developer and/or The Architectural Review Board.

Section 7.49. Guns. The use of firearms in the Subdivision is prohibited. The term "firearms" includes "B-B" guns, pellet guns, paint guns and small firearms of all types.

Section 7.50. Solar Devices. No artificial or manmade device which is designed or used for, collection of or heating by solar energy or other similar purposes shall be placed, allowed or maintained upon any portion of the Subdivision, including any Lot, without the prior written consent of the Board or its designee.

Section 7.51. Wetlands, Wetland Buffers and Marshlands. Each Lot within the Subdivision which contains U. S. Army Corps of Engineers jurisdictional wetlands, wetland buffers and marshlands shall be subject to the following additional covenants, conditions and restrictions, unless waived by the Developer and the U. S. Army Corps of Engineers:

(a.) The Owner or Owners of such Lots agree to abide by all rules and regulations of the S.C. D.E.H.C./Ocean and Coastal Resource Management and/or the U. S. Army Corps of Engineers with respect to such wetlands, wetland buffers and marshlands.

(b) No permanent structure shall be constructed within such wetlands, wetland buffers and/or marshlands.

(c) No manicured lawns shall be permitted within such wetlands, wetland buffers and/or marshlands.

(d) **DHEC O.C.R.M. Critical Line Buffer** A stormwater quality buffer shall be provided at an average of twenty-five (25') feet with a minimum of ten (10') feet landward of the established critical line indicated here to provide natural vegetal filtration across which non-point source runoff from residential yards shall flow prior to entering adjacent tidal marshes (to remove/reduce fertilizers, pesticides, and or pet waste). No clear cutting, filling, excavation, or construction activity (other than necessary for permitted drainage or dock access structures) or other permanent structures shall be allowed within this buffer. Limited clearing of trees and ground cover shall be allowed to provide and maintain adequate sight vistas. Only indigenous vegetation shall be planted within buffer areas: species of grasses, shrubs, and trees which require fertilization shall not be allowed.

All limited clearing, thinning, and new plantings shall be subject to inspection and approval by the SC DHEC O.C.R.M.

Section 7.52 Mailboxes. Hamlin Plantation requires a standard mailbox for all single-family homes within all related communities. The owner is required to purchase the mailbox through the Developer which will be provided at cost. The mailbox must be maintained by the owner and shall not be altered in any manner whatsoever. The developer shall also specify the required location of the box on each lot. The mailbox must be purchased and installed prior to occupying of the home. Design of multi-family mailboxes shall be prescribed by the Developer and may include cluster boxes or some other functional design which again may not be altered. Each lot shall be restricted to the one approved mailbox and additional boxes (newspaper or otherwise) are prohibited.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1. Enforcement. The Developer, the Association, or any Owner shall have the right to enforce, by any proceedings at law or in equity, all of the restrictions, conditions, covenants, easements, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, Failure of the Developer, the Association, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed as a waiver of right to do so thereafter. The Developer and the Association shall have the right to establish, assess and collect reasonable fines and penalties for violations of this Declaration, which shall be liens against Dwellings as provided herein. Such fines shall not exceed Two Hundred Fifty (\$250.00) Dollars per violation per day.

Section 8.2. Severability. Invalidation of any covenants or restrictions or any term, phrase or clause of this Declaration by the adjudication of any court or tribunal shall in no way effect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 8.3. Duration. The Covenants and Restrictions of this Declaration shall run with and bind the property constituting the Subdivision, and shall inure to the benefit of and be enforceable by the Developer, the Association, or any Owner for a period of forty (40) years from the date hereof and thereafter shall continue automatically in effect for additional periods of ten (10) years, unless otherwise agreed to in writing by the then Owners of at least seventy-five (75%) percent of the Lots.

Section 8.4. Assignment. The Developer shall have the right to assign to any one or more persons, firms, corporations, partnerships or associations any and all rights, powers, titles, easements and estates reserved or given to the Developer in this Declaration.

Section 8.5. Amendments.

Amendments by Developer. For a period of forty (40) years from the date of recording this Declaration, the Developer may amend this Declaration in any particular, by an instrument in writing filed and recorded in the RMC Office for Charleston County, South Carolina, with or without the approval of any Owner or mortgagees. Any amendment made pursuant to this Section shall be certified by Developer as having been duly approved by Developer, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section. In addition to the foregoing amendment rights, the Developer shall have the right at any time without a vote of the Owners to amend the covenants and restrictions of this Declaration to correct typographical or clerical errors, and as may be required by any governmental authority, institutional or governmental lender, insurer or purchaser of mortgage loans including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration or the Federal Housing Administration. The Developer reserves the right for the same 40 year period to veto, modify or supplement any amendment to this Declaration proposed or approved by the Association deemed to be prejudice to the best interests of the Developer and/or Hamlin Plantation. The veto or reversal of any proposed or approved amendment by the Developer shall not be again proposed, approved or recorded in any form by the Association without the written approval of the Developer. The subject matter in the aforesaid amendment shall not be modified or written in any form as supplement to another proposed amendment. The right to veto or reverse a proposed or recorded Association amendment shall include those known or unknown by the Developer and this right may be exercised at anytime by the Developer regardless of the period for which an Association amendment has been in force. All provisions contained herein Section 8.5 shall be applicable to Supplementary Declarations related to additional property, sub-associations and multi-family associations within the subdivision.

(b) Amendments by Association. Amendments to this Declaration, other than those authorized by Section 8.5(a) above, shall be proposed and adopted in the following manner:

(1) 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.

(2) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by members of the Association. Such amendment must be approved by owners holding at least a majority of the total votes in the Association; provided, however, that during any period in which Developer owns a Lot primarily for the purpose of sale or has the option under this Declaration to add the Additional Property or any portion thereof to the Subdivision, such amendment must be approved by Developer.

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

Section 8.6. Multiple Associations. So long as Developer, its successors or assigns, owns an unsold Lot in the Subdivision or any of the Additional property, it shall have the right to merge the Association with other associations governing the use and control of other property in the Subdivision.

Section 8.7. No Dedication of Common Areas, Etc. Every park, stream, body of water, Common Area, Recreational Amenity, and other amenity within the Subdivision is a private park, facility or amenity and neither the Developer's recording or any such plat nor any other act of the Developer with respect to the Property is, or is intended to be, or shall be construed, as a dedication to the public of any said parks, Common Areas, recreational facilities and amenities other than what's reflected therein. An easement for the use and enjoyment of each of said areas designated as parks is reserved to the Developer, its successors and assigns; to the persons who are, from time to time, members of the Association; to the members and Owners of any recreational facility; and to the residents, tenants and occupants of any multi-family residential buildings, and all other kinds of residential structures that may be erected within the boundaries of the Property and to the invitees of all the aforementioned persons; the use of which shall be subject to such rules and regulations as may be prescribed by the Association, if the Association is the Owner of the facility or Property involved.

Section 8.8. Time is of the Essence. It is agreed that time is of the essence with regard to these restrictions, covenants, limitations and conditions.

Section 8.9. Remedies for Violation of Restrictions. In the event of a violation or breach of any of these restrictions by any Owner, or agent of such owner, the Owners of Lots in the Subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Developer, its successors and assigns, shall have the right, whenever there shall have been built on any Lot in the Subdivision any structure which is in violation of these restrictions, to enter upon the Property where such violation exists, and summarily abate or remove the same at the expense of the Owner, if after thirty (30) days written notice of such violation, it shall not have been corrected by the Owner. The Developer and Association are hereby granted a perpetual easement across each Lot for the purposes of carrying out its responsibilities under this Section, and any such entry and abatement or removal shall not be deemed a trespass. Also, the Developer and/or Architectural Review Board shall have the right to impose up to two hundred fifty (\$250.00) dollars per day assessment until violation has been corrected to the satisfaction of the Developer and/or Architectural Review Board. The failure to enforce any rights, reservation, restriction or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. Should the Developer or Association employ counsel to enforce any of the foregoing covenants, conditions, reservations or restrictions, because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for the Developer's or Association's counsel, shall be paid by the Owner of such Lot or Lots in breach thereof.

Section 8.10. Rule Against Perpetuities, Etc. The Developer herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself. In the event that any of the provisions hereof are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event such term shall be reduced to a period of time which shall not violate the rule against perpetuities or any other law of the State of South Carolina and such provision shall be fully effective for said reduced period of time.

EXHIBIT "A"

Description of Property Submitted to the Declaration

PARCEL I

All that certain piece, parcel or tract of land situate, lying and being in Christ Church Parish, County of Charleston, State of South Carolina, measuring and containing 438.453 acres of highland, a little more or less, all of which is more fully shown and delineated on a plat entitled "A" Plat of a 1,270.933 Acre Tract Located in Christ Church Parish, Charleston County, South Carolina, Owned by Willits International of South Carolina, Inc., About to be conveyed to Stackpole Limited Partnership IV by Southeastern Surveying, Inc., dated August 24, 1988, revised August 31, 1988, and recorded on September 9, 1988, in the RMC Office for Charleston County, State of South Carolina, in Plat Book BT, at Pages 32 and 33; having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS# 600-00-00-020

Subject to all restrictions and easements of record.

Being the same property conveyed to the Grantor herein by deed of Willits international of South Carolina, Inc. dated September 8, 1988 and recorded September 9, 1988 in Book Hi 77 at Page 362, in the RMC Office for Charleston County.

PARCEL II

All that certain island situate, lying and being in Christ Church Parish, County of Charleston, State of South Carolina, measuring and containing approximately 1.843 acres, a little more or less, as fully shown and delineated on a plat entitled "A" Plat of 1,370.933 Acre Tract Located in Christ Church Parish, Charleston County, South Carolina, Owned by Willits International of South Carolina, Inc., About to be Conveyed to Stackpole Limited Partnership IV by Southeastern Surveying, Inc., dated August 24, 1988, revised August 31, 1988, and September 7, 1988, and recorded on September 9, 1988, in the RMC Office for Charleston County, in Plat Book BT, at Pages 32 & 33; having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS# 600-00-00-020

Subject to all restrictions and easements of record.

Being the same property conveyed to the Grantor herein by deed of Willits International of South Carolina, Inc., dated September 8, 1988 and recorded September , 1988 in Book H 177, at Page 362, in the RMC Office for Charleston County.

BK F 339PG605

PARCEL III

All Grantor's right, title and interest in and to all that certain marsh land and island situate, lying and being in Christ Church Parish, County of Charleston, State of South Carolina, measuring and containing approximately 930.477 acres, a little more or less, as fully shown and delineated on a plat entitled "A Plat of 1,370.933 Acre Tract Located in Christ Church Parish, Charleston County, South Carolina, Owned by Willits International of South Carolina, Inc., About to be conveyed to Stackpole Limited Partnership IV by Southeastern Surveying, Inc. dated August 24, 1988, revised August 31, 1988 and September 7, 1988, and recorded on September 9, 1988, in the RMC Office for Charleston County, in Plat Book BT, at Pages 32 & 33; having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

Subject to all restrictions and easements of record.

TMS# 600-00-00-020

Being the same property conveyed to the Grantor herein by deed of Willits International of South Carolina, Inc., dated September 8, 1988 and recorded September 9, 1988 in Book W177, at pge 374 in the RMC Office for Charleston County.

PARCEL IV

Grantor's undivided one-sixth (1/6th) interest and any other interest of Grantor in and to all of that certain marshland and islands, if any, being a portion of the marshland shown as "Wilhelmina Weldon Porcher, et al., 612 Acres Marsh " and depicted on a plat by E.M. Seabrook, Jr. entitled "Morgan's Pointe" dated February 12, 1987 and recorded in the RMC Office for Charleston County in Plat Book BQ at Page 9; having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

Subject to all restrictions and easements of record.

TMS# 599-00-00-002

Being the same property conveyed to the Grantor herein by Deed of Willits International of South Carolina, Inc. dated September 8, 1988 and recorded September 9, 1988 in Book W177 at Page 369, in the RMC Office for Charleston County.

Grantee's Address: P.O. Box 87363, Atlanta, GA 30337

PARCEL V

All that certain lot, piece or parcel of land situate, lying and being in Christ Church Parish, Charleston County, S.C. and being as shown and designated plat as "Joseph S. Auld, 2.586 acres", more or less, on a plat entitled "Portion of Yough Hall Plantation" thereafter made by E.M. Seabrook, Jr., Inc., C.E. and L.S., dated May 12, 1972, and recorded in the RMC Office for Charleston County in Plat Book AB, at Page 28.

Being the same property conveyed to the Grantors herein by deed of Catherine A. Baitary dated May 8, 1995 and recorded in the Office of the RMC for Charleston County in Book L276, at Page 202, and by deed of distribution in the Estate of Joseph Seabrook Auld in Charleston County Probate Case File No. 94-ES-10-00039 and recorded in said RMC Office in Book R244, at Page 832.

This conveyance is made subject to existing easements and to easement and restrictions of record including those shown on recorded plats.

Grantees' Address: P.O. Box 2109,
Mt. Pleasant, SC 29465

Tax Map Number: 600-00-00-015

BKF 339PG607

EXHIBIT "B"

**Sub-Association Covenants & Restrictions
And
Architectural Specifications & Guidelines**

Tract A

EXHIBIT "C"

Architectural Specifications & Guidelines

The Village/Tract B

BKF 339PG609

EXHIBIT "D"

**Sub-Association Covenants & Restrictions
And
Architectural Specifications & Guidelines**

Tract D

Exhibit "E"

BKF

339PG610

Architectural Specifications & Guidelines

The Sound

At

Hamlin Plantation

THE SOUND
AT
HAMLIN PLANTATION
ARCHITECTURAL SPECIFICATIONS & GUIDELINES

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ARCHITECTURAL DESIGN PROCESS

H. INTRODUCTION

A. RESIDENTIAL COMMUNITY

Hamlin Plantation is a planned unit development (PUD) which is owned by Hamlin Plantation, L.L.C. A comprehensive landplan has been created for the overall development of this residential community.

B. CREATION OF ARCHITECTURAL REVIEW BOARD

A Declaration of Covenants and Restrictions for Hamlin Plantation has been recorded in the office of the Clerk of Court for Charleston County, South Carolina in Plat Book _____, Page _____. The Covenants and Restrictions set forth requirement that all plans and specifications related to any type of construction must be approved in writing by any Plantation has therefore elected to create the Hamlin Plantation Architecture Review Board (designated herein as the ARB) for purposes of establishment and enforcement of rules, procedures, guidelines and reasonable fees as are necessary to achieve its purposes and objectives.

C. PURPOSES OF ARCHITECTURE REVIEW BOARD

The purposes of Hamlin Plantation (ARB) are as follows:

1. To preserve the natural beauty of Hamlin Plantation and its setting.
2. To continue Hamlin Plantation as a pleasant and desirable environment.
3. To establish and maintain a harmonious design for the community.
4. To promote and protect the values of properties within Hamlin Plantation.

D. ARCHITECTURAL REVIEW BOARD JURISDICTION

In order to accomplish its purposes, the Architectural Review Board or the developer(s) are vested with the appropriate powers to review, control and approve any building, wall, fence or structure erected, placed or altered and shall require that building plans (showing proposed location and elevation), landscape plan and construction schedule be furnished in a proper and timely manner.

Prior written approval shall be required for any addition to an existing building or structure or any renovation, alteration or change thereto, as well as any alterations to exterior appearance. In like manner, all landscaping changes or additions, including removal of trees, must receive prior approval by the Architectural Review Board.

Refusal or approval of plans, location or specifications may be based upon any ground, including purely aesthetic considerations the Architecture Review Board in its sole and absolute discretion shall deem sufficient.

The Architecture Review Board or Developer(s) shall have the authority to grant variances from any requirements set forth in the architectural standards or in the requirements set forth in the Declarations of Covenants and Restrictions on a case by case basis. The granting of any such variance will not impair or otherwise affect the right of the Architectural Review Board to continue to require strict compliance with the requirements cited above.

E. OBJECTIVE

The architectural and design approval process is directed toward attaining the following objectives.

1. Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which would cause disruption of natural water courses or scar natural landforms.
2. Ensuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the property and with surrounding properties and structures.
3. Ensuring that the architectural design of the structures and their material and colors are visually harmonious Hamlin Plantation's overall appearance natural landforms and beauty, and with development plans officially approved by the Declarant, or any governmental or public authority, if any, for the areas in which the structures are proposed to be located.
4. Ensuring that plans for landscaping provide visually pleasing settings for structures on the same lot and on adjoining or nearby lots, and blend harmoniously with the natural landscape.
5. Ensuring that any development, structure, building or landscaping complies with the provisions of these covenants.
6. Promoting building design and construction techniques that respond to energy consumption, water conservation and environmental quality consideration such as heat loss, air emissions and runoff water quality.

F. ARCHITECTURAL DESIGN CONCEPT

It is the intent of the architectural review process and the guidelines to encourage the building of exceptional individual architectural structures that when viewed together produce a harmonious overall community environment. Therefore, each building should be treated, not as an individual creation or architectural entity within itself, but rather as a carefully planned addition to the total development. It is important that the architectural solutions consider the immediate surroundings and natural setting of each site. The planned concept necessitates that dwellings be unobtrusive in both form and color in order to complement the natural setting.

Although The Sound does not require a particular architectural style, theme or historical period,

The ARB strongly encourages traditional architecture to include Southern Traditional, Low Country and Coastal architectural themes.

The homeplan design should blend harmoniously with the natural beauty and environment that has been preserved at Hamlin Plantation with the use of natural exterior materials indigenous to the Charleston area and exterior colors that are subdued and unobtrusive. The use of brick and natural siding materials are encouraged which shall be subject to ARB approval. Certain architectural themes are discouraged and may be disapproved such as oriental, some contemporary styles, Bauhaus or international and other styles with low or flat-pitched roof design. The ARB reserves the right and shall have the authority to approve or disapprove any plan submitted it deems incompatible with the overall plan or theme of Hamlin Plantation or any of its respective neighborhoods.

G. DISCLAIMER

No approval of plans, location or specifications by the Architectural Review Board and no publication of architectural standards or guidelines shall be construed as representing or implying that such plans, specification or standards will, if followed, result in a properly designed or constructed residence.

II. THE REVIEW PROCESS

The guidelines outlined here are not intended to be onerous; we believe each of them is essential to sustain and maintain the beauty and the essence of Hamlin Plantation. You will be able to see how each step in the approval process and the guidelines themselves protect your investment and help to guarantee the continuing liveability of your plantation home.

A. STEPS IN THE APPROVAL PROCESS

1. REVIEW DESIGN COVENANTS

Review the protective covenants and guidelines for familiarization.

2. RETAIN PROFESSIONAL DESIGN CONSULTANTS

Selection of design professionals is important to the process and is required of all homeowners for all development at Hamlin Plantation. As an aid to this process, a list of recommended consultants is available from the Architectural Review Board upon request. Have all of your consultants read and acquaint themselves with the design covenants.

3. OBTAIN A SURVEY

Employ a surveyor to obtain a complete survey as required for the preliminary review. This step is necessary in the site planning process to preserve the unique features of your homesite. The survey must provide the following information.

- a. all existing roads, utilities and other improvements by Hamlin Plantation
- b. property lines with dimensions and bearings
- c. existing contours at 1' contour intervals indicating contour elevation above sea level
- d. existing tree location of all trees 4' or over in caliper
- e. show all other site features such as drainage structures, etc.
- f. north arrow minimum scale shall be 1"=20 feet
- g. title with name of legal owners, and name, address, phone and license number of surveyor

B. FULL SUBMITTAL – FINAL REVIEW

Submit 2 copies of the developed design to the Architecture Review Board for preliminary review. These plans will reflect the "schematic" stage of development in an architect's design. Although it must fulfill all the submittal requirements before consideration by the Board, this important step in review allows revision and responses to the Architecture Review Board requests without final working drawing revisions. The design may be presented in a variety of formats but must adhere to the following requirements.

A fee of \$250.00 is to be paid at the time of the full submittal- final review, which is a non-refundable review fee for the total review process.

1. ARCHITECTURAL QUESTIONNAIRE

This standard form answers some basic questions for the Board and assures the Design Consultant's familiarity with the site.

2. SAMPLE BOARD

- a. a bonafide sample of the proposed siding material and/or brick sample
- b. roof material
- c. exterior paint or stain sample
- d. door color if different from trim color sample
- e. trim color sample

3. SURVEY/SITE PLAN

Must be made by a registered South Carolina surveyor at a minimum scale of 1"=20 feet

4. SCHEMATIC DRAWINGS

a. Site Plan at 1"=20 feet

- 1.) north arrow
- 2.) property lines with dimensions and bearings
- 3.) existing and proposed contours
- 4.) location of all trees over 4" in. in caliper at 4' height from grade.
Trees to removed shall be noted ("removed")
- 5.) dwelling to be indicated as foundation plan with entry area and stairs delineated and roof and deck lines shown as dash lines
- 6.) first floor elevation (FFE) indicated
- 7.) setback limits shown
- 8.) building accurately located from property line
- 9.) drives and walks shown
- 10.) principal views indicated
- 11.) adjacent structure located
- 12.) exterior light location and type (No bug lights or spot lights are allowed. See lighting section)
- 13.) location of HVAC unit and/or trash enclosure with screening location for each

b. Floor Plans at minimum 1/4"-1'0"

These should include each floor, mezzanine and ground level plan.

- 1.) room use labeled
- 2.) all walls shown
- 3.) all windows and doors with swings and dimensions shown
- 4.) all overhangs of floors or roofs above shown as dashed lines
- 5.) dimension overall limits of plans
- 6.) Ground level plan to indicate foundations, enclosure, driveway location (if applicable), stairway, garbage and HVAC enclosures
- 7.) Locate all swags, bars and straps

c. Elevations at 1/4"-1'0"

One for each major exposure

- 1.) show how building related to grade level
- 2.) show screening type and location
- 3.) indicate overall height from grade to ridge of roof

d. Planting Plan

- 1.) preferred scale is 1"= 10'
- 2.) variety, size, location and number of all plant material
- 3.) type and limits of seeded areas
- 4.) plant list with quantity, botanical name common name, size and special specification

e. Sections

- 1.) typical wall from grade to ridge at minimum scale $\frac{3}{4}"=1'0"$
- 2.) typical decks and railings
- 3.) typical screened porch
- 4.) major section $\frac{1}{2}"=1'0"$ (through building showing exterior stair)
- 5.) typical fence or screening detail

f. Structural Plans at $\frac{1}{4}"=1'0"$

Required only if structure is not shown on principal plans

g. Optional Drawings

- 1.) schedule-finish, doors, windows, lintels
- 2.) electrical plans
- 3.) HVAC plans
- 4.) Plumbing plans
- 5.) Additional detail

NOTE: Before submission, the corners of the house should be staked on the lot in the proposed location. Trees to be removed should be flagged with red surveyors tape.

BUILDING PERMITS

Before construction can begin final building permits must be obtained as required by local and South Carolina state laws.

D. FUTURE IMPROVEMENT REVIEW

It is anticipated that homeowners may wish to make improvements or modifications to their home or property during initial construction or at some future date. No modifications of any existing improvements may be undertaken on any of the properties without prior review and written approval of the Architectural Review Board. A request for review of the proposed improvements or modifications by the Board must contain:

1. Site plan of proposed location of improvements to scale.
2. Letter of intent with description and purpose of improvements.
3. Material and color sample (preferably to match existing materials).
4. Name and address of adjacent property owners.

III. SITE PLANNING**A. SITE EVALUATION**

The siting of a dwelling is a critical and important design decision. The site plan concept developed for each homeowner should reflect functional needs, but also be sensitive to the sites unique characteristics and inherent design opportunities.

Properly positioning your home on its lot requires that you understand all of its unique features including views and breezes. Some of the recommendations by the Architectural Review Board for you to consider in evaluating your lot are listed as follows:

1. Note the best natural or manmade view from your lot.
2. Attempt to preserve the existing major trees and other natural habitats, such as low shrubs, especially along wetlands.
3. Avoid blocking views that adjacent owners have of marshes or lakes or creeks.
4. Note any drainage swales or ditches that need to unimpeded flow.
5. Orient your home to allow prevailing summer breezes to flow through your home.
6. Consider the sun orientation in order to provide adequate shade during the summer and sun in the winter, as well as desirable light in living areas.
7. Locate your driveway to meander around trees and other natural features.
8. Avoid building on lower areas of your lot where humidity will be higher and breezes lower.
9. Note the location of the utility corridor in front of your lot.
10. Note any special restrictions on your lot such as easements.

B. BUILDING SETBACKS

Building setback minimums for The Sound (Tract E) shall be as follows:

Front Setback	30 Feet
Rear Setback	30 Feet
Side Setback	10 Feet (Combined Sides 25 Feet)

The setbacks are those established by The Town of Mt. Pleasant and may be subject to change by ordinance or PUD Amendment. Lots adjacent to wetlands or marsh may be subject to setback adjustments related to buffer requirements set forth by the Town of Mt. Pleasant or O.C.R.M. At present, O.C.R.M. requires an average natural buffer of 25 feet (and a minimum of 10 feet) from the established critical line of marshfront properties. This buffer may be subject to modification by Town of Mt. Pleasant or governmental agencies. The Developer shall not be responsible and shall be held harmless for any amendments to setbacks or buffers requirement implemented by local or state government and/or their related agencies.

C. SITE CLEARING

Once the location of your house on the lot is established, limits of construction should be determined. The house footprint should not exceed 30% of the total lot acreage. Total alterations of existing vegetation for building and site improvements not to exceed 35% of the lot acreage.

This area is to include any decks, new plantings, driveways, and the dwelling itself.

D. SITE GRADING

Drainage considerations for individual sites play an important part in the ecological balance. Accordingly, site grading shall be kept to a minimum and alteration of existing drainage systems is to be avoided. Water runoff should be direct to existing natural swales or other natural drainage areas or to storm drainage facilities. There shall not be direct channeling of runoff into natural or manmade water bodies, marshes or conservation areas. Any necessary grading is to maintain a natural gradual appearance. Grading shall not encroach upon the drip lines of trees to be preserved unless tree preservation techniques are utilized. Retaining walls may be used to reduce areas which need grading or to preserve vegetation. The design and placement of such walls must reflect the architecture of the house and be well integrated into the site and must be approved by the ARB. Runoff during construction must not cause damage to adjacent properties. If it is determined that erosion or surface runoff is a problem, then erosion control devices, such as temporary silt fences, will be required during the construction period.

IV. DESIGN STANDARDS AND CRITERIA

A. SPECIFIED STANDARDS AND CRITERIA

In order for the ARB to carry out its objectives as stated, certain design criteria should be met. The following list has been compiled to guide the owner and the architect in proper design of the dwelling:

1. Antennas/Satellite Dishes
Refer to Section 7.24; pg. 27 of Covenants and Restrictions
2. Chimneys
Fireplace with chimney is strongly encouraged and brick or stucco covered masonry is also encouraged. Other chimney types must be approved by the ARB. No floating chimney will be allowed.
3. Colors and Color Schemes
Color samples are required to be furnished to the ARB for approval. Wood tone, blend and earth tone colors are recommended as are historical colors. Stark vivid colors will not be approved.
4. Brick
The use of brick in The Sound is strongly encouraged and may be used as primary exterior material or as accent. The blending of brick with siding materials or stucco is permissible, but subject to approval.

Should brick be selected as the primary siding material, it must be used on all four sides of the home. If blended with other materials, the blending must also be consistent on all four (4) sides.

5. House Styles
The ARB will not approve a house plan that has already been built or approved by the ARB to be built, within sight of the proposed lot.
6. Decks/Porches/Patios
Decks, porches and patios are strongly recommended to achieve optimum enjoyment from your home. When designing location of the deck, porch or patio, please keep in mind your own privacy as well as that of your neighbor. Use caution not to encroach into violation of setback requirements or block any views. Also, all decks and porches shall be required to have lattice underpinning on all exposed sides.
7. Driveways
Driveways must be surfaced with concrete, brick or asphalt. No other surfaces are acceptable. Drives must provide proper and adequate drainage. Parking should be screened from front view when possible.
8. Garages
All garages should be designed for side, courtyard or rear entry. Front entry garages are not acceptable and will not be approved. Carports are totally unacceptable.
9. Lighting
(Refer to Section 7.47; pg 32 of the Covenants and Restrictions)
10. Mailboxes
(Refer to Section 7.52; pg 33 of the Covenants and Restrictions)
11. Siding Material
Substantial natural materials are encouraged: synthetic materials such as pressboard, pressed metal, vinyl and T-111 sidings will not be approved. Brick veneer, stucco and natural wood sidings are recommended. Vinyl soffits and Freese Board are permissible.
12. Foundations
Slab construction to include slab on grade or raised slab foundations are not permissible. All homes must be constructed on brick and pier foundation with crawl space or raised elevation with drive under garage. The particular flood elevation of a lot may dictate the type of foundation and the required minimum elevation of the first story finished floor. It is the responsibility of the lot owner to be familiar with construction requirements, code and specifications related to residential construction in a flood zone.

13. Minimum Square Footage

The minimum heated living space of the main structure shall be as follows:

Single Story	2400 Sq. Ft.
Two Story	2700 Sq. Ft.
Marshfront	3000 Sq. Ft.

Homes of less than the stated minimum heated space may be approved by the Developer and/or the ARB if in the opinion of the Developer or ARB, that the design of the dwelling and lot characteristics justify a variance. The characteristics of a homesite may dictate a conducive and suitable plan under the stated required minimums. The plan must not detract from surrounding properties and must have no negative impact with concern to property values, aesthetics or streetscape. Should a request of variance be submitted, the Developer and/or the ARB shall at their sole discretion review the application and make an appropriate determination. The granting of any variance shall not establish precedence for future submittals nor change or modify the specifications and guidelines set forth within the Covenants and Restrictions and the Architectural Specifications and Guidelines.

14. Pet Areas

Pet areas must be properly concealed in a very unobtrusive manner and in a way to prevent nuisance to neighbors. These areas must be approved by the ARB.

15. Pools, Outside Spas, Saunas

Pools, outside spas and saunas must be properly concealed in an unobtrusive manner. Location and design must be approved by the ARB.

16. Recreational Equipment

No type of recreational equipment should be visible from the front view of the dwelling (example: basketball goal). This type of equipment should be located with discretion and approved by the ARB.

17. Roof Materials

Architectural fiberglass shingles, cedar, tile, copper, and textured relief shingles are all acceptable. Colors should be earth tone and blend naturally with primary dwelling color and landscape. If fiberglass shingle is adopted, a 30 year shingle is the minimum acceptable.

18. Roof Pitch

All roof pitches must fall between 5/12 and 16/12 depending on building concept.

19. Service, Utility and Storage Areas

Service, utility and storage areas must be properly screened from view and screening material approved by ARB.

20. Solar Energy
Solar devices must be compatible with the site and integrated into architecture.
21. Tennis Courts
Private tennis courts are not allowed on private property at Hamlin Plantation.
22. Windows
Quality and finish/colors of windows are considered to be a dominant element of the architecture. Windows must be compatible with the architecture of the home in quality and appearance. Aluminum framing and sashes will not be approved.
23. Outbuildings, Gazebos, Arbors
Outbuildings must blend naturally into the setting, be located with discretion, should be unobtrusive, closely match scheme of home where possible and be located within the specified setbacks. Outbuildings must have approval of the ARB. Aesthetic structures such as a gazebo is encouraged, but must also be approved.
24. Wells
Shallow wells may be used for irrigation purposes only.
25. Trash Receptacles
Trash receptacles must be near the house. The receptacles should be screened by planting, berming or a desirable fence element. Fences likewise, must be an integral part of the architecture or a freestanding compatible element.
26. Other
Boats, golfcarts, motorcycles, bicycles and other recreational equipment should be stored in the garage or an outbuilding. Vehicles or equipment that cannot be stored in this manner must be stored off site.

V. LANDSCAPE

A. VIEW OF DEVELOPER

Proper landscape is one of the most important factors in the beautification of a home and its setting. As a minimum landscape requirement, the front and side yards must be sodded in the lawn area of the approved landscaping plan. Landscaping should be installed no longer than 90 days after completion. Hamlin Plantation does not set a minimum standard other than that mentioned above.

It is strongly recommended that each homeowner do his/her part in providing a beautiful and natural setting through proper landscape. Proper landscaping promotes economic property value as well as aesthetic value to the owner and his neighbor. Hamlin Plantation will take a very firm approach in seeing that proper and adequate landscape is facilitated.

B. PLANTING APPROACH

The planting plan itself should sufficiently screen utility areas, break up the foundation of the building, buffer driveways and parking areas adjacent to property lines and provide cover for areas disturbed during construction.

Plants for screening should be appropriate and of sufficient size and spacing to ensure an adequate buffer within a year or two. Foundation plantings, likewise, should be able to screen any crawl spaces under house or decks. Utility uses such as cutting and vegetable gardens should be screened or incorporated into the garden so as not to be unsightly.

Plant materials should compliment native species and be compatible with existing environmental and ecological conditions. The cutting of the forest understory may be done to open up views to marsh and lakes, but should be kept to a minimum leaving the vegetation for buffering, privacy and landscape definition. The cutting of the forest canopy is prohibited, except for removal of dead branches and stragly material for maintenance. In cases where understory is not present, then the addition of small flowering trees, grouped in clusters, should be considered in the landscape plan.

The landscaping approach should concentrate your planting efforts adjacent to the house, especially near the entry. The more ornamental plants, if used correctly, will provide a transition from the natural character of the site to the man-made structure of the home. The ground covers should begin this transition, which should progress to larger shrubs closer to the house. For maximum appeal, try to mix textures and colors but do keep the plan simple. A better effect can be achieved from using quantities of a few species rather than a few plants each of many species.

Finally, a word on plant maintenance. A successful landscape plan for your plantation home should be one that eliminates time consuming maintenance. Pruning should be done with a "light hand" to avoid over-manicured appearance. A biannual mow will keep natural grass at lake edges from succession into shrubs, if desired.

C. FENCES AND WALLS

(Refer to Section 7.4; pg 23 of the Covenants and Restrictions)

VI. CONSTRUCTION

A. CONSTRUCTION GUIDELINES

In the interests of maintaining safety as well as an appealing image for the Hamlin Plantation residents and visitors, the construction progress must be regulated. After final approval and obtaining all necessary permits, the contractor must submit the construction application form and deposit of \$1,000 dollars. The deposit is to ensure compliance with the approved plans, for any necessary site maintenance and correction of any damage to streets, road shoulders and common areas.

B. CONSTRUCTION REGULATIONS

Inspection while construction is in progress will be conducted regularly by the ARB to ensure conformance with the approved drawings. Any changes made during construction, must receive approval by the board prior to the change. May changes may constitute resubmission for approval. Final inspection will be made after the contractor has completed construction, including all site work and landscaping, cleaned site of debris, removed contractor signage and any temporary utilities and notified the inspector in advance of finished date. The deposit will be returned in full if all requirements are fulfilled. If clean up and/or amendments to the construction site need to be made by the Developer/ARB, their cost will be deducted from the deposit. It should be noted that the Developer or its agents assume no responsibility for inspecting construction in progress for compliance with approved plans. The owner assumes full liability for failure of construction to comply with approved documents.

C. CONTRACTOR REGULATIONS

Contractors are responsible for the actions of their employees while on the Plantation. Workers are allowed access to and from the job site only and are not allowed to use other facilities or ride around the property unnecessarily. Harassment of residents and visitors is strictly forbidden. All employees must wear shoes and shirts when away from the job site. Access will only be allowed between 7:00 a.m. and 7:00 p.m., with no construction work on Sundays and Holidays. The contractor must provide toilet facilities for the workers on the job site in a discreet location. Contractors must be licensed in the State of South Carolina. Contractor shall at all times maintain a clean and safe work area.

Any contractor found to be in obvious nonconformance of these regulations will be denied access and work will be suspended.

D. SITE REGULATIONS

For site protection, the following guidelines are required:

1. Approved plans will be valid for one year, including all construction and landscaping. Extensions can be granted by ARB due to adverse weather conditions or other justifiable reasons.
2. No hardwood trees over 4" in caliper shall be cleared within the site building setback lines without approval by the ARB. All existing vegetation must be maintained in its natural state: 1) between property lines and building setback lines, 2) within 30 feet of lake edge and 3) all areas not occupied by building and/or paving unless approved otherwise on the site plan. The ARB will review with the property owner on the placement of the structure on the lot for aesthetic concerns, overall streetscape concerns, as well as the preservation of existing vegetation and topography.
3. All reasonable means shall be taken during construction and after to protect and preserve all existing vegetation unless approved by the ARB.
4. Boards, other material or signs shall not be nailed to trees during construction.
5. Sediment and erosion control provisions should be employed during construction as deemed necessary.
6. All planting, fixtures, fencing and landscaping which is damaged during construction or after by vehicles, fire or other cause on or off site, including streets, shoulders and common areas, shall be repaired or replaced by the owner. Owner will be responsible for contractor's actions during construction.
7. Any clearing, grading, or building on site without approval by ARB will result in suspension of work and/or the issuing of monetary fines.
8. During construction all trash, debris and waste shall be contained daily and not be exposed to public view. Burning of debris discouraged. The Developer reserves the right to clean the site as needed due to noncompliance, and the Owner will be backcharged the cost of such work. Each builder is required to place a garbage dumpster on the job site throughout the construction period.
9. All contractors shall be required to carry liability insurance and workman's compensation insurance. Proof of insurance shall be provided with submittal of application.
10. Clearing and grading contractors or subcontractors must be licensed by Charleston and/or the Town of Mt. Pleasant and approved by the ARB. The ARB will not allow irresponsible clearing contractors to destroy natural beauty of Hamlin Plantation. The owner and building contractor shall be responsible for all actions by a clearing contractor.

VII. ENTRANCE FEATURE AND SIGNAGE GUIDELINES

A. PURPOSE OF GUIDELINES

In order to maintain the high degree of quality required of development within Hamlin Plantation and to project a consistent, unifying theme throughout the various residential communities, it is necessary to establish design criteria for community signage structures and entrance features. These guidelines will assist builders and developers during design and construction and protect the property values of all owners. These guidelines will also control procedures requiring review and approval of all signage construction within the plantation.

B. INTENT OF THE GUIDELINES/DESIGN OBJECTIVES

Hamlin Plantation is dedicated to creating a residential community based on traditional values. The design of signage within the Plantation will be compatible with that of the main entrance and village center. Color, texture and exterior materials shall be consistent with those associated with Early American Neo-classical architecture.

Special emphasis shall be place on integrating the signage designs with the environment through appropriate siting and the correct use of high quality plant materials.

C. ARCHITECTURAL REVIEW BOARD

The Architectural Review Board has been established to review and approve all buildings proposed for construction on Hamlin Plantation . The Board shall be challenged to up-hold the intent and purpose of these guidelines.

The Architectural Review Board shall review the required submittals of buildings, fences and other structures proposed for construction prior to issuance of a building permit. Refusal of approval of submitted or lack of submittal information may be based by the Board upon any ground, including purely aesthetic conditions, which in the sole and uncontrolled discretion of the Board shall seem sufficient.

D. DESIGN GUIDELINES

Materials and colors-Exterior material and colors must be appropriate for the architectural vernacular of Hamlin Plantation. Color and material samples must be submitted to the Board for approval. The use of brick, stucco and painted wood is encouraged while the use of imitation materials is discouraged.

Proper landscape design is extremely important in the execution of quality entrance features. In successful designs, elements of the landscape and structure unite to form a complete statement. Care should be taken in the selection of plant materials. Plants should be selected which are native and/or naturalized to the Charleston area and thus more resistant to disease and drought. Because of the lowcountry's penchant for periods of drought, irrigation systems are required for all entrance features. By increasing the plantings vigor and health through appropriate and timely watering a sizeable investment can be protected. Lawn areas are encouraged as a foreground for entrance features as are annual and/or perennial plantings. Also included in the overall landscape development should be the use of exterior lighting.

BKF

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EXHIBIT "F"

Architectural Specifications & Guidelines

Tract F

EXHIBIT "G"

Architectural Specifications & Guidelines

Tract H

BKF 339PG630

EXHIBIT "H"

Additional Property

EXHIBIT "I"
BY-LAWS
OF
HAMLIN PLANTATION PROPERTY OWNERS ASSOCIATION, INC.

1. INTRODUCTION

These are the By-Laws of Hamlin Plantation Property Owners Association, Inc., a non-stock, eleemosynary corporation to be organized under the laws of the State of South Carolina (hereinafter called "the Association"), which shall be organized for the purpose of administering Hamlin Plantation Subdivision (the "Subdivision"), a multi-phased planned unit development or subdivision. The Subdivision is identified by the name Hamlin Plantation and is located in Charleston County, South Carolina, as more particularly described in the Declaration of covenants and Restrictions for the Subdivision, to which these By-Laws are attached as Exhibit "I" (the "Declaration"). Upon submission of the Additional Property or any portion of the Additional Property, described in Exhibit "H" to the Declaration, these By-Laws become equally applicable to such Additional Property. The Developer of the Subdivision is Hamlin Plantation, L.L.C. its successors and assigns (the "Developer").

- (a) The provisions of these By-Laws are applicable to any and all land subject to the Declaration, and the terms and provisions of these By-Laws are expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Declaration. The terms and provisions of the Declaration shall be controlling wherever and whenever, if ever, they are or may be in conflict with these By-Laws.
- (b) All present or future co-owners, tenants, future tenants, or their employees, invitees, licensees, or any other person that might use the lands of the Subdivision, or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in the Declaration, as either, or both, may be amended or supplemented from time to time.
- (c) The office of the Association shall be at 1300 Old Marsh Parkway, Mount Pleasant, South Carolina 29466, or such other place as the Board of Directors of the Association may designate from time to time.
- (d) The fiscal year of the Association shall begin on January 1 and end on December 31 of each year, unless changed by the Board of Directors of the Association as herein provided.
- (e) The seal of the Association shall bear the name of the Association and the words "South Carolina".
- (f) There shall be no dividends or profits paid to any members nor shall any part of the income of the Association be distributed to its Board of Directors or officers. In the event there are any excess receipts over disbursements as a result of performing services, such excess shall be applied against future expenses, etc. The Association shall not pay compensation to its members, directors or officers for services rendered. At any one time the Board may retain a management firm, and may contract with said firm to provide management for the Association and its subordinate regimes, or Developer-owned/controlled property, to include, but not be limited to, the following services:

1. Financial services;
2. Administrative and clerical services; and
3. Maintenance, to include providing of goods, materials, labor and equipment, personnel supervision, contract labor, landscaping, and security.

Upon final dissolution of and liquidation, the Association may make distribution to its members as is permitted by Law; or any Court having jurisdiction thereof, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income.

This Association shall issue no shares of stock of any kind or nature whatsoever. Membership in the Association and the transfer of that membership as well as the number of members/votes shall be in accordance with the terms and conditions of the Declaration and the By-Laws of the Association, and the voting rights of the Owners shall be as set forth in the Declaration and/or these By-Laws of the Association.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

(a) All persons who are Owners as defined in the Declaration shall be members of this Association, provided, however, that no non-owner, tenant, sub-lessee, or assign shall be a member, nor have voting rights in this Association. The rights and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by a member or a member's spouse, but in no event shall more than one (1) vote be cast or more than one (1) office held for each Lot, except for those Class B voting rights granted to or reserved by the Developer in the Declaration. Such voting weight shall continue to be equal upon the addition of all or a portion of the Additional Property to the subdivision, and each Lot therein shall have one (1) vote. Each Owner, by acceptance of a deed or other conveyance for a Lot, consents and agrees to the dilution of his voting interest in the Association by virtue of the submission from time to time of the Additional Property or any portion thereof to the terms of this Declaration as provided herein. 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. Notwithstanding any of the foregoing to the contrary, no owner, whether one or more persons, shall have more than one membership/vote per Lot. Any membership shall automatically terminate when an Owner, as defined herein, is no longer seized and vested with title to any real property within the Subdivision, and membership and/or voting rights in the Association shall be limited to such Owners.

(b) The quorum at members' meetings shall consist of persons entitled to cast one-fourth (1/4) of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

- (c) The vote of the Owners of a Lot owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate or appropriate resolution signed by all of the Owners of the Lot and filed with the Secretary of the Association, and such certificate or resolution shall be valid until revoked by subsequent certificate or resolution. If such a certificate is not on file, the vote of such Owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.
- (d) Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of the meeting for which their use is sought.
- (e) Approval or disapproval of an Owner upon any matters, whether or not the subject of an Association meeting, shall be by the same person who casts the vote of such Owner if in an Association meeting.
- (f) Except where otherwise required under the provisions of the Certificate of Incorporation of the Association, these By-Laws, the Declaration, or where the same may otherwise be required by law, the affirmative vote of the Owners holding at least a majority of the total votes cast at a meeting at which a quorum is present, shall be binding upon the members/Owners.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

- (a) The annual members' meeting shall be held at the office of the Association or such other place as may be designated by the Board of Directors, on the first Saturday in November of each year or at such other time as shall be designated by the Board of Directors, for the purpose of transacting any business authorized to be transacted by the members.
- (b) Special members' meetings shall be held whenever called by the President or Vice President, by a majority of the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all votes of the Class A Membership, and must be called by such officers upon receipt of a written request from the members of the Association owning a majority of the outstanding votes.
- (c) Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association, or other officers of the Association in the absence of said officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him or her. If mailed, such notice shall be deemed properly given when deposited in the United States mail addressed to the member at his or her post office address as it appears on the records of the Association, the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member.

If any members' meeting cannot be organized because a quorum has not been attained, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, whenever the latter percentage of attendance may be required as set forth in the Certificate of Incorporation, these By-Laws or the Declaration, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

(d) At meetings of membership, the President shall preside or, in the absence of the President, the membership may select a chairman in the event that the Board does not designate an acting president or presiding officer for any such meeting.

(e) The order of business at annual members' meetings, as far as practical, at any other members' meeting, shall

- (i) Calling of the roll and certifying proxies
- (ii) Proof of notice of meeting or waiver of notice
- (iii) Reading of minutes
- (iv) Reports of officers
- (v) Reports of committees
- (vi) Unfinished business
- (vii) New business
- (viii) Adjournment

4. BOARD OF DIRECTORS

Section 1. Governing Body: Composition. The affairs of the Association shall be governed by the Developer or its representative and two (2) additional directors appointed by the Developer until the control of the Association is turned over by the Developer to the members.

Section 2. Directors Appointed by Developer. Developer shall have the right to appoint or remove any members of the Board of Directors or any officer or officers of the Association so long as Developer retains its Class B membership as provided in the Declaration. Each Owner, by acceptance of a Deed to or other conveyance of a Lot, vests in Developer such authority to appoint and remove directors and officers of the Association. The directors selected by the Developer need not be Owners or residents in the Subdivision. The names of the initial directors selected by the Developer shall be set forth in the Articles of Incorporation of the Association

Section 3. Number of Directors. Commencing with the first annual meeting of the Association, the Board shall consist of three (3) members.

Section 4. Nomination of Directors. Elected directors shall be nominated from the floor at a meeting of the Association and may also be nominated by a nominating committee appointed by the Board of Directors.

Section 5. Election and Term of Office. Owner-Elected directors shall be elected and hold office as follows:

(a) Not later than thirty (30) days after the Developer's right to appoint directors and officers terminates, the Association shall call a special meeting to be held at which Owners shall elect six (6) directors (one director from each Tract in the Subdivision).

(b) At annual meetings of the Membership thereafter, directors shall be elected. All eligible Members of the Association shall vote on all directors to be elected and the candidate(s) receiving the most votes shall be elected; provided, however, the initially elected directors shall serve the remainder of their terms-

The term of all six (6) Directors shall not be longer than one (1) year, unless elected by the members for another term. The Members of the Board of Directors shall hold office until their respective successors have been duly elected by the Association.

Section 6. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. This Section shall not apply to Directors appointed by the Developer

Section 7. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 8. Action Taken without a Meeting. The directors shall have the right to take any action in the absence of a meeting of the directors which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Meeting of Directors

Section 9. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director mailed or presented personally to such director within such time.

Section 11. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

In the event that the Developer in accordance with the privilege granted unto it, selects any person or persons to serve on any Board of Directors of the Association, the Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or persons to serve on said Board of Directors. Replacement of any person or persons designated by the Developer to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the person or persons so removed from said Board of Directors. The removal of any director and designation of his successor shall be effective immediately upon delivery of such written instrument by the Developer to any officer of the Association.

If any Director's meeting cannot be organized because a quorum has not attended, or because the greater percentage of the director required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration, the directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance is greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

Powers and Duties of the Board of Directors

Section 12. Powers. The Board of Directors shall manage and direct the affairs of the Association and may exercise all of the powers of the Association subject only to approval by the Owners, as designated and defined in the Declaration, when such is specifically required by these By-Laws. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law, the Declaration or these By-Laws, or as it may deem necessary or appropriate in the exercise of its powers and shall include, without limiting the generality of the foregoing, the following:

- (a) To prepare and adopt a budget, make, levy and collect assessments against members and members Lots to defray the cost of the Common Areas and facilities of the Subdivision, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;
- (b) To carry out the maintenance, care, upkeep, repair, replacement, operation, surveillance and the management of the Common Areas, Recreational Amenities, services and facilities of the Subdivision wherever the same is required to be done and accomplished by the Association for the benefit of its members;
- (c) To carry out the reconstruction of improvements after casualty and the further improvement of the property real and personal;
- (d) To make and amend regulations governing the use of the property, real and personal, in the Subdivision so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Declaration;

- (e) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Lots in the Subdivision, as may be necessary or convenient in the operation and management of the Association, except those which may be required by the Declaration to have approval of the membership of the Association;
- (f) To enforce by legal means the provisions of the Certificate of Incorporation and By-Laws of the Association, the Declaration and the regulations hereinafter promulgated governing use of the property in the Subdivision;
- (g) To pay all taxes and assessments which are liens against any part of the Subdivision other than Lots and the appurtenances thereto, and to assess the same against the members and their respective Lots subject to such liens;
- (h) To carry insurance for the protection of the Subdivision, the members of the Association, and the Association against casualty, liability and other risks;
- (i) To pay all costs of power water, sewer and other utility services rendered to the Association and not billed to the Owners of the separate Lots;
- (j) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association as well as to dismiss said personnel;
- (k) To adopt and publish rules and regulations governing the use of the Common Areas, Recreational Amenities and facilities of the Association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (l) To suspend the voting rights and right to use of the Common Areas and facilities of a member during any period in which such member shall be in default in the payment of any assessment, penalties and fines levied by the Association. Such rights may also be suspended after notice and hearing, until all assessments, fines and penalties are paid in full.
- (m) To exercise for the Association all powers, duties and authority vested in or delegated to this Association by the Declaration and not reserved to the membership by other provisions of these By-Laws, or the Certificate of Incorporation;
- (n) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (o) To employ a manager, a managing agent, an independent contractor, or such other employees or agents as they deem necessary, and to prescribe their duties.
- (p) To make special assessments to the extent provided in the Declaration and these By-Laws.

Section 13. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;
- (b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) Establish a fiscal year;
- (d) Establish the annual assessment period and fix the amount of the annual assessment against each member for each lot owned, at least thirty (30) days in advance of each annual assessment;
- (e) Establish the initial deposit to be made by each member in order to bring his total assessment deposit to the level required to meet his proportional share of the Common Expense;
- (f) Send written notice of each assessment to every lot owner, at least thirty (30) days in advance to each annual assessment period, and levy all such assessments as liens;
- (g) Collect all such assessments at monthly or other regular intervals as may be determined at its discretion;
- (h) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;
- (i) Issue, or to cause an appropriate officer to issue, upon demand by any person, a Certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (j) Procure and maintain liability and fire and other hazard insurance on property owned by the Association;
- (k) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (l) Cause all of the facilities to be maintained;
- (m) Have a management agent for any of the above; and
- (n) Procure and maintain officers and directors liability insurance as it may deem appropriate.

Section 14. Meeting Location. Notwithstanding anything contained in these By-Laws to the contrary any meeting of members of directors may be held at any place within or without the State of South Carolina.

Section 15. Actions without Meetings. To the extent now or from time to time hereafter permitted by the law of South Carolina the directors may take any action which they might take at a meeting of directors without a meeting, a record of any such action so taken, signed by each director, to be retained in the Associations minute book and given equal dignity by all persons with the minutes of meetings fully called and held.

Section 16. Indemnity. The Association shall indemnify every director and every officer, their heirs, executors and administrators, against all loss, damages, costs or expenses of any type reasonably incurred by him in connection with any action, suit, or proceeding to which he is made a party by reason of his being or having been a director or officer of the Association, except as to such matters wherein he shall be finally adjudged liable of gross negligence or willful misconduct. The Board may obtain for the Association directors and officers liability insurance coverage in such amounts as the Board deems necessary and appropriate.

5. OFFICERS

(a) The executive officers of the Association shall be the President and Secretary, who shall be directors; a Vice President; and a Treasurer, all of whom shall be appointed by the Developer so long as Developer retains its Class B Membership, and thereafter elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

(b) The President shall be the chief executive officer of the Association. The President shall have all the powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members from time to time, as the President may in the President's discretion determine appropriate, to assist in the conduct of the affairs of the Association.

(c) Any Vice President, unless the majority may select a presiding officer, shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

(d) The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

(e) The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

(f) The compensation of all officers and employees of the Association shall be fixed by the directors. This provision shall not preclude the Board of Directors from employing a director as an employee of the Association, nor preclude the contracting with a director for management of the Association

6. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth both in these By-Laws and in the Declaration shall be supplemented and complemented by the following provisions:

- (a) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot; for each subordinate regime, for each sub-association and for those developer-owned entities. Such an account shall designate the name and address of the Owners(s) or ownership/control entity, the amount of each assessment against each category set forth immediately hereinabove, the dates and amount in which assessments come due, the amounts paid upon the account and the balance due upon assessments.
- (b) The Board of Directors shall adopt a budget for each fiscal year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to, the following items:
- (i) Common Expense budget, which shall include without limiting the generality of the foregoing, the estimated amounts necessary for maintenance, repair and or replacement of: (a) all buildings and other improvements located within the Association's Common Areas, including Recreational Amenities; (b) all roads (not dedicated to the public), walks, trails, lagoons, ponds, parking lots, landscaped areas/natural areas and other improvements situated within the Common Areas or within easements encumbering Lots or Multi-Family Areas; (c) such security systems, utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the service district, public or private utility or other person; and (d) all lawns, trees, shrubs, hedges, grass and other landscaping situated within the Subdivision (but not on Lots) as it may be constituted from time to time; and
 - (ii) Proposed Assessments against each member. Copies of the proposed budget and proposed Assessments shall be transmitted to each member at least thirty (30) days prior to the first day of the fiscal year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion levy an additional Assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.
- (c) The Board of Directors shall determine the method of payment of such Assessments and the due dates thereof and shall notify the members thereof. The Assessments will initially be on an annual basis unless changed by a vote of the majority of the Board of Directors.
- (d) The depository of the Association shall be such bank or banks as shall be designed from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the directors.
- (e) An audit of the accounts of the Association may be made annually and a copy of the report shall be furnished to each member not later than ninety (90) days after the last day of the fiscal year for which the report is made.
- (f) Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any Contractor handling or responsible for Association funds.

The amount of such bonds shall be determined by the directors, but shall be at least one-half (1/2) the amount of the total annual assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

7. PHYSICAL MANAGEMENT AND EXTERIOR MAINTENANCE

Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair and have jurisdiction over the standards of exterior maintenance over all portions of the Common Areas, individual regimes, and all Lots, which responsibility shall include the maintenance, repair and/or replacement of (i) all buildings and improvements located within the Association's Common Areas, including Recreational Amenities; (ii) all roads, walks, trails, lagoons, ponds, parking lots, landscaped areas, natural areas and other improvements situated within the Common Areas or within easements encumbering Lots or Multi-Family Areas; (iii) such security systems and utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the Common Areas and which are not maintained by a public authority, public service district, public or private utility or other person; and (iv) all lawns, trees, shrubs, hedges, grass and other landscaping situated within the subdivision (but not on Lots) as it may be constituted from time to time. The Association shall not be liable for injury or damage to any person or property (a) caused by the elements or by any Owner or any other person, (b) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (c) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system or utility line or facility, the responsibility for the maintenance of which is not 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 or left in or upon any portion of the Common Areas or any other portion of the Property. No diminution or abatement of Assessments or 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 the Declaration, or 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 charges being a separate and independent covenant on the part of each Owner.

In the event that the Developer or the Board of Directors determines that: (i) any Owner or Multi-Family Association 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 (ii) 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, than in either event, the Developer or the Association, except in the event of an emergency situation, may give such Owner or Multi-Family Association written notice of Developer's or the Association's intent to provide such necessary maintenance, cleaning, repairs or replacement, at the sole cost and expense of such Owner or Multi-Family Association, as the case may be, and cleaning repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner or Multi-Family Association, as the case may be, shall have fifteen (15) days within which to complete the same in good and workmanlike manner, or if 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 good and workmanlike manner.

In the event of emergency situations or the failure of any Owner or Multi-Family Association to comply with the provisions hereof after such notice, the Developer 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 or Multi-Family Association, as the case may be, and said cost shall be added to and become a part of the Assessment to which such Owner and his Lot are subject and shall become a lien against such Lot, or, in the case of a Multi-Family Association, shall be added to and become a part of the assessments for all Owners within such Multi-Family Association and shall become a lien against such Owner's Lots. In the event that Developer undertakes such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse Developer for Developer's costs and expenses.

8. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the statutes of the State of South Carolina.

9. AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

(a) Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the directors, or by members of the Association holding one-fourth (1/4) of the class A votes in the Association, whether meeting as members or by instrument in writing signed by them.

(b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in absence of the President, who shall thereupon call a special joint meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members if required as herein set forth.

(c) In order for such amendment or amendments to become effective, the same must be approved by a vote of the members holding at least a majority of the total votes at a meeting at which a quorum is present. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President or Secretary of the Association, and a copy thereof shall be recorded in the Register of Mesne Conveyances of Charleston County, South Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the directors and members.

(d) At any meeting held to consider such amendment or amendments to the By-laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

(e) Notwithstanding the foregoing provisions of this Article, no amendment to these By-Laws which shall abridge, amend or alter the right of the Developer to designate and select members of each Board of Directors of the Association, as provided in Article 4 hereof, nor may any amendment be adopted or become effective without the prior written consent of the Developer so long as Developer retains its Class B voting privileges.

(f) In the alternative, the Developer may amend these fly-Laws in the manner provided in the Declaration for amendments to the Declaration by the Developer.

10. INSURANCE AND CASUALTY LOSSES

10.1. Insurance.

10.1.1. 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, to include anticipated costs of demolition and clearing prior to building, but subject to such deductible levels as are deemed reasonable by the Board or under the terms of any subordinated regime documents as they affect or control Multi-Family ownership) of any repair or reconstruction in the event of damage or destruction from any such hazard.

10.1.2. The Board or its duly authorized agents shall have the authority and may 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.

10.1.3. The Board or its duly authorized agents shall have the authority and may obtain: (i) worker's compensation insurance to the extent necessary to comply with any applicable law; and (ii) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.

10.1.4. 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 Subdivision shall be vested in the Board of Directors; provided, however, that no Mortgagee or other security holder of the Common Areas having any interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto. Insofar as permitted by law and reasonably obtainable, the Association shall be required to make every effort to secure insurance policies with the provisions hereinafter set forth:

10.1.4.1. All policies shall be written with a company holding rating of A+10 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.

10.1.4.2. All property insurance policies shall be for the benefit of the Association, and/or its subordinate property regimes, Owners and Owner's Mortgages, if applicable, as their interests may appear.

10.1.4.3. 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.

10.1.4.4. The 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.

10.1.4.5. 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, guest and invitees, including without limitation the Association's manager.

10.1.4.6. 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.

10.1.5. 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 own Lot. The Board of Directors may require all Owners, to include. The Developer, and/or Multi-Family Associations to carry public liability and property damage insurance on their respective properties and Lots, and to furnish copies of certificates thereof to the Association.

10.2. Damage to or Destruction of 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, as used in this Article means repairing or restoring the damages to property to substantially the same condition in which it existed prior to the fire or other casualty. Within sixty (60) days following any damage or destruction of all or part of the Common Areas, the Association shall restore or replace such damaged improvements, to include trees, shrubbery, lawns, landscaping and natural vegetation. 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, (except the Developer or any Sub-Developer) without the necessity of a vote of the members of the Association, such special assessment to be in an amount sufficient to provide funds to pay such excess cost of 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.

10.3. Damage to or Destruction of Lots or Multi-Family Areas. In the event of damage or destruction by fire or other casualty to any Lots or Multi-Family Areas, such Owner or Multi-Family Association shall, at its/their own expense, promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such Lot or Multi-Family Area in a clean, orderly, safe and sightly condition. Such other Owner or Multi-Family Association shall repair or rebuild such Lot or other improvements to substantially the same condition as existed prior to such fire or other casualty and in accordance with all applicable standards, restrictions and provisions of this Declaration (including without limitation Article 10 hereof) and all applicable zoning, subdivision, building and other governmental regulations. All such work of repair or construction shall be commenced promptly following such damage or destruction and shall be carried through, without interruption, diligently to conclusion.

11. CONDEMNATION OF COMMON AREAS

11.1. Whenever all or any part of the Common Areas of the Subdivision shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Board acting with the approval by a vote of two-thirds (2/3) of the total votes of the Association who are voting in person or by proxy, at a meeting duly called for such purpose, for so long as Developer owns any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the subdivision, the award of proceeds made of collected for such taking or sale in lieu thereof shall be payable to the Association and shall be disbursed or held as follows:

11.1.1. 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 Developer, for so long as Developer owns any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Subdivision, together with at least seventy-five (75%) percent of the total votes of the Association, shall 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 therefor, in accordance with the plans approved by the Board of Directors, the Architectural Review Board, and by the Developer, for so long as the Developer owns any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the subdivision. 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 Paragraph 9.4 hereof, such special assessment to be in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction. Such 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.

11.1.2. If the taking or sale in lieu thereof does not involve any improvements to the Common Areas, or if there are not 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.

11.1.3. If the taking or sale in lieu thereof includes all or any part of a Lot or Multi-Family Area and 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 of any Lot or Multi-Family Area; provided, however, such apportionment may instead be resolved by the agreement of: (i) the Board of Directors, (ii) the Owners of all Lots and Multi-Family Areas wholly or partially taken or sold, together with the Mortgagees for such Lot or Multi-Family Area; and (iii) the Developer, for so long as the Developer owns any Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Subdivision.

12. ASSESSMENTS

12.1. 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 Subdivision, and maintaining the Subdivision and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors. These assessments are in addition to any charges or assessments imposed by any Multi-Family Regime, Sub-Association or ownership sub-structure situate within the Subdivision as it may be constituted from time to time.

12.2. Creation of Lien and Personal Obligation of Assessments. Each Owner of a Lot 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 the Declaration and in Paragraph 12.3 hereof; (b) special assessments, such assessments to be established and collected as provided in the Declaration and in Paragraph 12.4 hereof; and (c) individual or specific assessments against any particular Lot which are established pursuant to the terms of this Declaration, including, but not limited to fines as may be imposed against such Lot in accordance with the provisions of these By-Laws and of the Declaration. Any such Assessments, together with late charges as provided in the Declaration, together with court costs and reasonable attorneys' fees incurred to enforce or collect such Assessments, shall be an equitable charge and a continuing lien upon the Lot, the Owner of which is responsible for payment. Each Owner shall be personally liable for assessments coming due while he is the Owner of a Lot, and his grantee shall take title to such Lot 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 shall not apply to the holder of any first priority institutional Mortgage or to the holder of any Mortgage securing a loan made by the Developer, its affiliates, successors or assigns, and who take title to a Lot through foreclosure, or to any purchaser of such Lot at such foreclosure sale until title vests at which time charges for assessments apply as to any other Owner. In the event of co-ownership of any Lot, all of such co-Owners shall be jointly and severally liable for the entire amount of such assessments. Assessments shall be paid in such manner that unless otherwise provided by the Board the annual assessment shall be paid in equal quarterly installments. Furthermore it is understood that the Developer and any Sub-Developer shall not pay any annual or special assessments, penalties, interest or fines as long as he owns a lot for the purpose of sale. Also, the Developer shall not be obligated to build any reserves or deficit fund for the Association. Any monies that the Developer spends on operating expenses for the Association shall be in the form of a loan and the Association agrees to reimburse these expenses plus interest at the current prime rate+1%.

12.3. Computation of Annual Assessments. It shall be the duty of the Board at least thirty (30) days prior to the commencement of the Association's fiscal year to prepare and adopt a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution of reserve account if necessary for the capital needs of the Association. The total annual assessments shall be divided among the Lots equally, except as provided in the Declaration, so that each Lot except Developer and any Sub-Developer owned Lots, shall be subject to equal annual assessments. Upon the addition of the Additional Property or any portion thereof to the Subdivision, Assessments shall continue to be equal and the Lots being added to the subdivision shall continue to be equal and the Lots being added to the subdivision shall thenceforth pay assessments which are equal to those imposed upon Property and Lots previously in the Subdivision, except as provided in the Declaration. The Association's budget shall be revisable by the Board, without the necessity of approval by the Owners, to include Common Expenses and Assessments related to such additional Lots. In the event the Board fails for any reason to determine the Budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual assessment in effect for the then current year shall be increased in proportion to the percentage increase, if any, for the then current year, over the previous year, in the Consumer Price Index (All Urban Consumers, United States City Average, All Items) or five (5%) percent, whichever is greater, and such increased budget shall be implemented for the succeeding year, until a new budget shall have been approved as provided above. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a special assessment as provided in Paragraph 12.4 hereof. The Common Expenses to be funded by the annual assessments may include, but shall not necessarily be limited to, the following:

12.3.1. Management fees and expenses of administration including legal and account fees;

12.3.2. Utility charges for utilities serving the Common Areas and charges for other common services for the Subdivision, including trash collection and security services, if any such services or charges are provided or paid by the Association;

12.3.3. The cost of any policies of insurance purchased for the benefit of all Owners and the Association as required or permitted by the 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;

12.3.4. The expenses of maintenance, operation, repair and replacement of these portions of the Common Areas and Recreational Amenities which are the responsibility of the Association under the provisions of the Declaration;

12.3.5. The expenses of maintenance, operation, repair and replacement of other amenities and facilities serving the Subdivision, the maintenance, operation, repair and replacement of which the Board from time to time determines to be in the best interest of the Association;

12.3.6. The expenses of the Architectural Review Board which are not defrayed by plan review charges;

12.3.7. The expense for conducting recreational, cultural or other related programs for the benefit of the Owners and their families, tenants, guests and invitees;

12.3.8. Ad valorem real and personal property taxes assessed and levied against the Common Areas;

12.3.9. 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 or Multi-Family Areas; and

12.3.10. The establishment and maintenance of a reasonable reserve fund or funds (a) 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, (b) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds, and (c) 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.

12.4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for any other purpose set forth in the Declaration or the By-Laws of the Association. So long as the total amount of special assessments allocable to each Lot (except the Developer and any Sub-Developer) does not exceed Five Hundred and no/100 (\$500.00) Dollars in any one fiscal year, the Board of the Association may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation shall be effective only if such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Special assessments shall be paid as determined by the Board of Directors, and the Board may permit special assessments to be paid in installments extending beyond the fiscal years in which the special assessment is imposed-

12.5. Individual Assessments. Any expenses of the Association 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. The individual assessments provided for in this Paragraph 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.

12.6. Initial Assessment. At the time of the first sale of each Lot from the Developer or Sub-Developer to an owner, there shall be assessed by the Association and collected from each owner/purchaser an initial assessment of Two Hundred Fifty dollars (\$250.00), to establish and maintain a working capital fund for the use and benefit of the Association. The purpose of such working capital fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire equipment or service deemed necessary by the Association. Such initial assessments shall not be considered as advanced payment of regular assessments. The initial assessment may be adjusted from time to time in the form of Amendment and subject to Amendment Procedures set forth in section 9 of the By-Laws.

12.7. Liens. All sums assessed against any Lot pursuant to the Declaration, together with court costs, reasonable attorneys' fees, and late charges as provided herein, shall be secured by an equitable charge and continuing lien on such Lot in favor of the Association. Such liens shall be superior to all other liens and encumbrances on such Lot except only for:

- (i) liens of ad valorem taxes; and (ii) liens for all sums unpaid on a first priority institutional Mortgage or on any Mortgage to the Developer, or its affiliates, successors or assigns, and all amounts advanced pursuant to any such Mortgage and secured thereby in accordance with the -terms of such instrument.

Notwithstanding the foregoing to the contrary, the subordination of assessments to the lien of such Mortgages shall only apply to such assessments which have become due and payable prior to a foreclosure. All other person(s) acquiring liens or encumbrances on any Lot after the Declaration shall have been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to such future liens for assessments as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens and encumbrances.

12.8. Effect of Nonpayment; Remedies of the Association. Any Assessments of an Owner or any portions thereof which are not paid when due shall be delinquent. A lien and equitable charge as herein provided for each Assessment shall be attached simultaneously as the same shall become due and payable, and if an Assessment has not been paid within thirty (30) days, the entire unpaid balance of the annual Assessment may be accelerated at the option of the Board and declared due and payable in full. The continuing lien and equitable charge of such Assessment shall include 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 remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided for in this Article shall be in favor of the Association, and each Owner, by his acceptance of a deed or other conveyance to a Lot, vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such Assessments 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 at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may waiver or otherwise escape liability for the Assessments provided herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his Lot, and an Owner shall remain personally liable for Assessments, and late charges which accrue prior to a sale, transfer or other conveyance of his Lot.

In the event that any Lot is to be sold at the time when payment of any Assessment against the Owner of such Lot to the Association shall be in default (whether or not a claim of lien has been recorded by the Association) then the proceeds of such purchase shall after payment of those sums given priority by S.C. Code Ann. Section 27-31-200 (1976) (whether or not such Lot is a condominium apartment) be applied by the purchaser first to payment of any then delinquent Assessment or installment thereof due to the Association before the payment of any proceeds of purchase to the Owner who is responsible for payment of such delinquent Assessment.

In any voluntary conveyance of any Lot (other than deed in lieu of foreclosure as set forth above), the Grantee shall be jointly and severally liable with the Grantor for all unpaid assessments against Grantor made prior to the time of such voluntary conveyance, Without prejudice to the rights of the Grantee to recover from the Grantor the amounts paid by the Grantee therefore. Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by Association which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sums then remaining owing to it.

12.9. 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 the said Treasurer, Assistant Treasurer or manager of the Association setting forth whether the Assessments for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, late charges and other penalty charges. Such certificate shall be conclusive evidence against all but such Owner of payment of any Assessments stated therein to have been paid.

12.10. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each Lot as set forth the Declaration.

13. RULE MAKING

13.1. Rules and Regulations. Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots, Multi-Family 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 total votes in the Association, provided that in the event of such vote, such action must also be approved by the Developer, for so long as the Developer owns any Lot or not primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Subdivision.

13.2. Authority and Enforcement. Subject to the provisions hereof, upon the violation of the Declaration, the By-Laws or any rules and regulations duly adopted hereunder, including without limitation the failure to timely pay any assessments, 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, 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 Recreational Amenities, and the Board shall have the power to impose all or any combination of these sanctions. 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 Owners or the family, guests or tenants of his Owners or the family, guests or tenants of his Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, as determined by the Board.

13.3. Procedure. Except with respect to the failure to pay assessments, the Board shall not impose a fine, suspend voting rights or infringe upon or suspend any other rights of an owner or other occupant of the Subdivision for violations of the Declaration, By-Laws or any rules and regulations of the Association, unless and until the following procedure is followed:

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

13.3.1.1. The alleged violation;

13.3.1.2. The action required to abate the violation; and

13.3.1.3. 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.

13.3.2. Within two (2) 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 of a hearing to be held by the Board in executive session. The notice shall contain:

13.3.2.1. The nature of the alleged violation;

13.3.2.2. The time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice;

13.3.2.3. An invitation to attend the hearing and produce any statement, evidence and witness on his behalf; and

13.3.2.4. The proposed sanctions to be imposed.

13.3. 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 manner 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.

13.4. **Enforcement.** Each Owner shall comply strictly with the By-Laws and the published rules and regulations of the Association adopted pursuant to the Declaration, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in the Declaration and in the deed or other instrument of conveyance to his Lot, 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 the Developer, the Board of Directors on behalf of the Association or, in a proper case, by an aggrieved Owner. Should the Developer 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 the 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 and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and 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 the Developer, the Association or any aggrieved Owner in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such right, power or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whomsoever against the Developer or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person under the provisions of the Declaration, the By-Laws or any rules and regulations of the Association, however long continued.

14. DEFINITIONS

All terms defined in the Declaration shall have the same meaning in these By-Laws as in the Declaration.

15. CONFLICTS

In the event of any conflict between the provisions of the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and the provisions of these By-Laws, the provisions of the Declaration shall control.

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

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