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**THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT (S.C. CODE ANN. § 15-48-10 ET SEQ., AS AMENDED**

# DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR

# VILLAGES AT STILES POINT

***Document prepared by Parker Poe Adams & Bernstein, but title not examined***

*NOTICE TO CLOSING ATTORNEYS: THIS DECLARATION IMPOSES ASSESSMENTS CONSTITUTING A LIEN ON EACH LOT. PLEASE CONTACT THE ASSOCIATION TO DETERMINE THE STATUS OF A PARTICULAR LOT WITH REGARD TO PAYMENT OF ASSESSMENTS. THE ASSOCIATION'S CONTACT INFORMATION MAY BE FOUND ON THE SECRETARY OF STATE'S WEBSITE.*

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| STATE OF SOUTH CAROLINA | ) | DECLARATION OF COVENANTS, CONDITIONS, |
| | ) | RESTRICTIONS, EASEMENTS, CHARGES AND |
| COUNTY OF CHARLESTON | ) | LIENS FOR VILLAGES AT STILES POINT |
| | ) | |

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR VILLAGES AT STILES POINT is made this 15th day of December, 2016, by **Stiles Point Developers, LLC**, a South Carolina limited liability company organized and existing under the laws of the State of South Carolina (the "Developer," as further defined in Article I herein). Any defined terms used herein shall have the meaning set out in Article I hereafter:

**THE DEVELOPER EXPRESSLY RESERVES THE RIGHTS TO AMEND AND TO RESTATE THIS DECLARATION WITHOUT THE CONSENT OF AN OWNER, THEIR MORTGAGEE(S) OR THE ASSOCIATION FROM TIME TO TIME FOR SO LONG AS THE DEVELOPER OWNS ANY PORTION OF THE "PROPERTY" (AS DEFINED HEREIN). ANY SUCH AMENDMENT OR RESTATEMENT MAY CONTAIN ADDITIONAL RESTRICTIONS OR OBLIGATIONS AFFECTING THE USE OF THE "COMMON AREA", A "LOT", "AREA OF EXTENDED LOT OWNER RESPONSIBILITY" (AS SUCH TERMS ARE DEFINED HEREIN) OR ANY OTHER SUCH PORTION OF THE "PROPERTY". ANY SUCH AMENDMENT OR RESTATEMENT MAY ALSO AFFECT AN OWNER'S OBLIGATIONS AS A MEMBER OF THE ASSOCIATION. EVERY PURCHASER OR GRANTEE OF ANY LOT OR COMMON AREA NOW AND HEREINAFTER DESIGNATED, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE THEREOF, ACKNOWLEDGES NOTICE OF THE DEVELOPER'S RIGHTS TO AMEND AND TO RESTATE THIS DECLARATION, AND THAT THEIR RIGHTS ARE SUBJECT TO CHANGE. ANY SUCH AMENDMENT OR RESTATEMENT SHALL BE APPLICABLE TO AND BINDING UPON THE OWNERS AND THE LOTS. AT THE OPTION AND SOLE DISCRETION OF THE DEVELOPER, ANY SUCH AMENDMENT OR RESTATEMENT MADE BY THE DEVELOPER MAY APPLY: (I) UPON THE DAY OF EXECUTION OR RECORDING OF SUCH AMENDMENT OR RESTATEMENT DECLARATION; (II) RETROACTIVELY TO THE DATE OF THIS DECLARATION OR TO SOME OTHER SPECIFIED DATE IN SUCH AMENDMENT OR RESTATEMENT; OR (III) PROSPECTIVELY TO SOME SPECIFIED DATE IN SUCH AMENDMENT OR RESTATEMENT. CERTAIN RIGHTS OF THE DEVELOPER SET OUT IN THE DECLARATION SHALL CONTINUE AFTER THE DEVELOPER NO LONGER OWNS ANY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE RIGHT OF REESTABLISHING ITS CLASS "B" MEMBERSHIP IF AND WHEN IT RE-ACQUIRES ANY OF THE PROPERTY OR ANNEXES ANY ADDITIONAL LAND TO THE PROPERTY.**

## RECITALS

1. The Developer, is the owner of the real property described in Exhibit A of this Declaration, and desires to develop thereon a Community which may be made up of Neighborhoods, if and when designated, and which may include common lands and facilities, for

the sole use and benefit of the Owner of each Lot to be located in such Community or a Neighborhood, if and when designated, within the Community.

2. The Developer has acquired or may from time to time acquire additional real property which it may desire to develop as additional phases of the Community which the Developer may incorporate as additional phases of this Community and bring same under this Declaration.

3. The Developer is desirous of maintaining control of design criteria, Improvement location, Plans and construction specifications, and other controls to assure the integrity of the Community or each Neighborhood, if and when designated, within the Community. Each purchaser of a Lot or Dwelling in the Community will be required to maintain, modify, change, and construct the Dwelling or as such are subsequently modified as herein provided, and any Improvement in accordance with the design criteria contained herein and established by the Architectural Control Authority as hereinafter provided.

4. The Developer desires to provide for the preservation of the value and amenities in the Community and for the maintenance of the common lands and facilities, if any.

5. The Developer desires to subject the real property described in Exhibit A to the covenants, conditions, restrictions, easements, charges, and liens, hereinafter set forth and to the guidelines, policies, procedures, rules and regulations adopted by the Developer, the Board of Directors, When Empowered, or the Architectural Control Authority, When Empowered, for each Neighborhood, if and when designated, or the Community as a whole. Each and all of which (i) is and are binding upon the Community and each Owner, (ii) is and are for the sole benefit of the Developer for so long as it owns any portion of the Property and if the Developer re-acquires any portion of the Property or if Developer annexes any additional land to the Property even if this occurs after the Developer no longer owns any of the Property, and thereafter for the sole benefit of the Association, and (iii) shall run with the title to the land.

6. The Developer has deemed it desirable, for the efficient preservation of the values of and the amenities in the Community, to create the Association to which will be delegated and assigned as further described herein, the powers of (i) maintaining and administering any Common Area or Area of Common Responsibility, (ii) administering and enforcing the Declaration; (iii) establishing and amending the reasonable rules, regulations and policies for the proper management of the Association and for the promotion of the health, safety and welfare of the residents of the Community; and (iv) levying, collecting and disbursing the Assessments and charges hereinafter created. The Developer may assign or delegate, either permanently or temporarily, any or all of the foregoing powers to one or more entities or persons without notice to or the consent of any Owner.

7. The Developer has caused or will cause the Association to be incorporated under the laws of the State of South Carolina, as a nonprofit corporation, for the purpose of exercising the aforesaid functions, among others.

8. The Developer and the Association have entered into certain agreements with the Stiles Point Plantation Homeowners Association concerning the use of facilities in or near Stiles

Point Plantation, which are listed on Exhibit B, (hereinafter referred to as "Settlement Agreements"), for the purpose of providing for shared use and maintenance, repair or replacement of the Improvements constructed or to be constructed thereon. In the event of a conflict between the Settlement Documents and the Declaration, the Settlement Documents will control.

9. The Developer desires that certain of its rights under the Declaration continue after the Developer no longer owns any of the Property or any additions thereto.

NOW, THEREFORE, the Developer declares that the real property described in Exhibit A, annexed hereto and forming a part hereof, and any additions thereto which the Developer may incorporate from time to time in the Community is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth which shall run with the title to the land and all Lots therein and which shall be binding on all Owners.

## ARTICLE I
## DEFINITIONS

Section 1.1 DEFINITIONS. The following capitalized words when used in this Declaration or any supplement hereto (unless the context clearly demonstrates otherwise) shall have the following meaning:

(A) "ADDITIONAL ASSOCIATIONS" when and if created, shall mean and refer to any other separate association owning land within the Property, or being given authority to control, manage or maintain, repair and replace portions of the Property owned or maintained by the Association.

(B) "ARCHITECTURAL CONTROL AUTHORITY(IES" shall mean and refer to the Developer, any appointees of the Developer, or any architectural control boards or committees appointed by the Developer, while the Developer retains all or part of the rights and authority for architectural control in the Community, and the Board of Directors, When Empowered, or any architectural control boards or committees which may be appointed by the Board of Directors, When Empowered.

(C) "ARCHITECTURAL GUIDELINES" shall mean and refer to the set of policies, rules and procedures which may be promulgated and/or amended by the Architectural Control Authority, from time to time, which shall act as a guide for the architectural control and review process and for the maintenance, construction, renovation, repair and replacement of Improvements in each Neighborhood, if and when designated, and within the Community. Failure to publish any Architectural Guidelines shall not diminish the architectural control and review authority of the Architectural Control Authority, as set forth in this Declaration.

(D) "AREA OF COMMON RESPONSIBILITY" shall mean and refer to any Common Area, together with those areas, if any, the Developer or the Board of Directors, When Empowered, has established pursuant to the terms of this Declaration, any supplemental declaration, any Cost Sharing Agreement, Regulations or other applicable covenant, contract, or agreement. The location and dimensions of the Area of Common Responsibility may be

established, adjusted, or eliminated by the Developer and thereafter by the Board of Directors, When Empowered, in accordance with the provisions hereof. The Developer or the Board of Directors, When Empowered, may make Improvements to the Area of Common Responsibility or any area under a Cost Sharing Agreement as they determine in their sole discretion. The Members right to use and the terms and conditions of such use of the Area of Common Responsibility may be established, adjusted, or eliminated by the Developer or the Board of Directors, When Empowered, in accordance with the provisions hereof.

(E) "AREA OF EXTENDED LOT OWNER RESPONSIBILITY" shall mean and refer to that portion of the road right-of-way, whether owned by the Developer, the Association, or any applicable governmental entity, extending from the end of the road's curbing (or the end of the pavement itself, if no curbing exists) to any property line of a Lot that is contiguous to the road. Unless designated as Common Area or unless the Association has assumed maintenance responsibility for this area as part of its Area of Common Responsibility, each Owner shall be responsible for the maintenance and proper use of their corresponding Area of Extended Lot Owner Responsibility pursuant to the provisions of this Declaration, including without limitation obtaining appropriate Architectural Control Authority approvals, in addition to any other applicable governmental approvals, that may be required for any and all Improvements and landscaping built upon or located in the Area of Extended Lot Owner Responsibility. All remedies available to the Developer and the Association, When Empowered, for the failure of an Owner to properly maintain, use, or construct or locate Improvements upon a Lot shall also be available to the Developer and the Association, When Empowered, for the failure of an Owner to properly maintain, use, or construct or locate Improvements upon the Area of Extended Lot Owner Responsibility, as provided for in this Declaration. Said authority of the Developer and the Association, When Empowered, to control the Areas of Extended Lot Owner Responsibility is subordinate to the authority and approval of any property owner or applicable governmental entity possessing rights over or ownership of the Areas of Extended Lot Owner Responsibility. The responsibility of the Owner or Association to maintain the Area of Extended Lot Owner Responsibility does not create an ownership interest in any portion of the road right-of-way which extends from the end of the road's curbing (or the end of the pavement itself, if no curbing exists) to any property line of a Lot that is contiguous to the road nor does the creation of such responsibility by this Declaration or the Regulations: (a) provide any Lot Owner with the authority to restrict in any way the use of any portion of the road right-of-way or the sidewalks by the Association or its Members or the normal use of the sidewalks or right-of-way by the general public, or (b) provide the Association with the authority to restrict in any way the normal use of the sidewalks or road right-of-way by the general public where the same is dedicated to a governmental authority or owned by the Developer. Unless otherwise restricted by a public body, governmental body, district agency or authority, where the road right-of-way or sidewalk is located upon a Common Area, the Association may restrict such use and access by the general public or any Lot Owner. The Association shall be authorized both to request and accept on behalf of all Lot Owners in the Community any licenses or permits that may be necessary or required by a governmental authority to facilitate such maintenance responsibility by the Association or Lot Owners.

(F) "ASSESSMENTS" shall have the meaning specified in Article VII.

(G) "ASSOCIATION" shall mean and refer to Villages at Stiles Point Homeowners Association, Inc., a South Carolina non profit corporation, its successors and assigns.

(H) "ASSOCIATION NOTE" shall have the meaning specified in Article III.

(I) "BOARD OF DIRECTORS" shall mean and refer to the board of directors of the Association.

(J) "BUILDOUT" shall the meaning specified in Section 7.2(b).

(K) "BY-LAWS" shall mean and refer to the by-laws of the Association.

(L) "COMMON AREA" shall mean and refer to those areas of land within the Property, the location and dimensions of which may be established, modified, or adjusted by the Developer as set forth herein, shown as "Common Area" on any recorded Plats of the Property or so designated in any conveyance to the Association by the Developer including, but not limited to, any and all Improvements thereon or the furniture, fixtures or equipment thereon, entrance signs, lights, sprinklers, shrubs, landscaping, parking places, drainage or other easements used, owned or maintained by the Association or the Developer for the benefit of the Community, whether or not located within the street rights-of-way which have been dedicated to a governmental agency or a Lot. Such areas are intended to be devoted to the common use and enjoyment of Members of the Association, subject to the Regulations established and amended from time to time and the reserved rights of the Developer and the Association, and are not dedicated for use by the general public. **NO REPRESENTATION FROM ANY PARTY OR SALES AGENT, INCLUDING THOSE OF THE DEVELOPER, OR OTHER ENTITY AS TO THE EXISTENCE OF A COMMON AREA, SIZE, SHAPE, OR COMPOSITION OF ANY COMMON AREA OR ACCESS LOCATION, OTHER THAN THOSE PROVIDED HEREIN OR PROVIDED IN WRITING BY THE DEVELOPER, SHALL BE RELIED UPON, NOR SHALL IT IN ANY WAY REQUIRE THE DEVELOPER TO COMPLY WITH THAT REPRESENTATION.** The Community may, but shall not be required to, contain Common Area, and the fact that there are provisions in this Declaration referencing Common Area does not mean there is or will be Common Area in the Community. The Developer or the Association, When Empowered, may restrict Common Area located within a Specific Purpose Area for the exclusive use and enjoyment of only those Owners who own Lots in the Specific Purpose Area.

(M) "COMMUNITY" shall mean and refer to the subdivided Property.

(N) "COMMUNITY PERIMETER FENCING" shall have the meaning specified in Section 2.17.

(O) "COST SHARING AGREEMENT" shall mean and refer to any agreement between or among the Developer, the Association and/or a third party pursuant to which the Association or the Developer and/or such third party agree to share the cost of the construction, modification, maintenance, repair, replacement, use, operation or other aspects of an Improvement, Common Area or Area of Common Responsibility benefiting, directly or indirectly, the Developer and /or the Association and/or its Members, and/or the third party. A Cost Sharing Agreement shall be an agreement, expressed or implied, by and between the

Association or the Developer and/or the third party or the Developer pursuant to which (a) the Association or the Developer grants the third party or the Developer and/or its members or affiliates access to or use of the Association's Common Area, including amenities, roads or other rights of way, or (b) the third party grants the Developer, the Association and/or its Members access to or use of the its Improvements or property, including drainage, ponds, amenities, roads or other rights of way of such third party. Cost Sharing Agreements shall also include any rulings, regulations or laws that require the Association to contribute to the cost of maintenance, repair or replacement of or to maintain, repair or replace any drainage or other facilities that serve any part of the Property, and the Settlement Agreements and Other Agreements ( hereinafter defined).

(P) "COSTS OF COLLECTION" shall have the meaning specified in Section 7.1(a).

(Q) "CURRENT DEFICIT" shall mean the amount by which the expenditures and budgeted reserves of the Association for a budget year exceed the receipts of the Association for any budget year, including, but not limited to, receipts from Assessments, contributions from the Developer and application of funds collected as Assessments for Working Capital, plus the amount of any Assessments due but unpaid from any Owner other than the Developer.

(R) "DECLARATION" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, Easements, Charges, and Liens, along with any amendment or modification hereof, and any supplements hereto.

(S) "DEVELOPER" shall mean and refer to Stiles Point Developers, LLC a South Carolina limited liability company organized and existing under and pursuant to the laws of the State of South Carolina, its successors and assigns and its affiliates and subsidiaries; provided such successors and assigns, affiliates and subsidiaries are designated as such by the Developer. The Developer may make partial or multiple assignments of its rights under this Declaration. All such assignees shall be deemed to be the Developer only as to those rights which have been assigned to them, including, without limitation, any continuing rights of Developer after the Developer's Class "B" Membership has converted to a Class "C" Membership as set forth in this Declaration.

(T) "DEVELOPER IMPROVEMENTS" shall mean and refer to Improvements constructed by or on behalf of the Developer on a portion of the Common Area, the Areas of Common Responsibility or any areas under a Cost Sharing Agreement and Improvements constructed by the Developer pursuant to the Settlement Agreements and Other Agreements.

(U) "DIRECTOR" shall mean and refer to an appointed or elected member of the Board of Directors.

(V) "DWELLING" shall mean and refer to a single family home, patio home, garden home, townhouse, condominium unit, or apartment, if constructed in the Community.

(W) "FENCING" shall mean and refer only to those walls, gates and fences that are not a part the exterior walls of a Dwelling (though they may be a attached to the Dwelling) and where the context requires, include the Community Perimeter Fencing.

(X) "FIRST LIEN MORTGAGEE" shall mean and refer to a bank, mortgage company or other institution in the business of loaning money that holds a first priority mortgage or deed of trust on a Lot or Dwelling in the Community.

(Y) "IMPROVEMENT" shall mean and refer to any thing or object upon any portion of the Property including by way of illustration and not limitation, any Dwelling or building or part thereof, garage, porch, shed, mailbox, greenhouse, or bathhouse, coop or cage, covered or uncovered patio, siding, doors, fixtures, equipment, and appliances (including without limitation the heating and air-conditioning system for the Dwelling), furniture, glass, lights and light fixtures (exterior and interior), awnings, window boxes, window treatments, window screens, screen or glass-enclosed porches, balconies, decks, chutes, flues, ducts, conduits, wires, pipes, plumbing, and other like apparatus, playgrounds, playground equipment, tree houses and yard art, statuary, basketball goals (permanent or temporary), or other temporary or permanent sports equipment, swimming pool, fence, curbing, paving, driveways, walkways, wall or hedge, radio, television, wireless cable, or video antenna, satellite dishes, yard, lawn, landscaping, trees, shrubs, bushes, grass, well, septic system, sign, appurtenance, or signboard, whether temporary or permanent; any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of waters from, through, under or across any portion of the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any portion of the Property; and any change in the grade of any portion of the Property of more than six (6) inches. The foregoing items are listed only as examples of items that would constitute Improvements, if constructed or located on the Property, the Area of Common Responsibility, or any area under a Cost Sharing Agreement and their inclusion in this definition does not imply that each such item will be approved by the Architectural Control Authority or constructed by the Developer or any other person or otherwise exist on the Property.

(Z) "LOT" shall mean and refer to any tract or parcel of the Property (together with such Improvements or Dwellings as may be erected or placed thereon) described as a "Lot" on any Plats or otherwise designated as a "Lot" by the Developer by recorded instrument or by written notice to the Association, but specifically excluding any Common Area, Area of Extended Lot Owner Responsibility, Area of Common Responsibility and the streets and road rights-of-way in the Community.

(AA) "MASTER ASSOCIATION" when and if created, shall mean and refer to any incorporated or unincorporated association to which or from which is delegated specific authority, the Members of which are common to the Association, Additional Associations or Sub-Associations to which or from which the authority is granted. The establishment of Neighborhoods, Neighborhood Architectural Control Authorities, Specific Purpose Areas, or Specific Purpose Committees, if and when designated, shall not be construed as creating a Master Association or Sub-Associations, unless expressly created and recognized as such by the Developer or the Association, When Empowered.

(BB) "MASTER PLAN" shall mean and refer to the drawing, sketch, map, or planned unit development plan that represents the conceptual land plan for the future development of the Community. Since the concept of the future development of the undeveloped portions of the Community, including without limitation the Lots, streets or road rights-of-way and any

Common Area, are subject to continuing revision and change at the discretion of the Developer, present and future references to the "Master Plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants or obligation to develop shall arise with respect to lands that have been retained by the Developer for future development. **THE DEVELOPER SHALL NOT BE BOUND BY ANY MASTER PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY IN ITS SOLE DISCRETION AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN, DEVELOP OR NOT DEVELOP THE REMAINING UNDEVELOPED PROPERTY OR COMMON AREA OR AMENITIES SHOWN ON ANY MASTER PLAN.**

(CC) "MEMBER" shall mean and refer to any Owner, as provided in Article III hereof.

(DD) "NEIGHBORHOODS" when and if designated, shall mean and refer to any specific group of Lots and/or Common Area and/or streets and road rights-of-way located within the Property identified as a distinct Neighborhood by the Developer or the Association, When Empowered. The Members of any and all Neighborhoods are Members of the Association or the Master Association, if created, and the Neighborhood exists under authority granted by the Developer or the Association. A Neighborhood is not a Specific Purpose Area, however the same portion of the Property may be designated a Neighborhood and a Specific Purpose Area.

(EE) "OWNER" shall mean and refer to the record owner or owners, whether one (1) or more persons or entities, of the fee simple title to any of the Lots, 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 to the Lot pursuant to foreclosure or any proceedings in lieu of the foreclosure. Said term "Owner" shall also refer to the heirs, successors, and assigns of any Owner.

(FF) "PERMITTEES" shall mean and refer to the respective family, agents, customers, invitees, licensees, employees, servants, contractors, tenants and tenant's agents, customers, invitees, licensees, employees, servants and contractors of each Owner, subject to applicable Regulations.

(GG) "PLANS" shall mean and refer to and encompass the plans, specifications, elevations and exterior designs of any Improvement built or to be built on any Lot, or Common Area, or of any other item so designated in the Architectural Guidelines, as well as a site plan showing building setbacks and locations of all Improvements or other items so designated in the Architectural Guidelines within the Lot or Common Area.

(HH) "PLATS" shall mean and refer collectively to those certain plat(s) depicting all or a portion of the Property recorded in the Register of Deeds from time to time, each as amended, modified, supplemented, restated or superseded from time to time. Where a preliminary plat has been replaced by a final plat, the term "Plats" shall include only the final plat. The Plats shall include, without limitation, that certain "BOUNDARY SURVEY SHOWING TMS NO. 426-00-00-003 CONTAINING 31.048 ACRES, PROPERTY OF THE STILES POINT COMPANY, LOCATED IN THE CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA" by HLA, Inc. recorded in Book L15 at Pages 0408 in the Register of Deeds on August 27, 2015.

(II) "PONDS" shall have the meaning specified in Section 2.2, ponds identified in any Cost Sharing Agreements and ponds in an Area of Common Responsibility.

(JJ) "PROPERTY" shall mean and refer to all property, including but not limited to, the Lots, streets or road rights-of-way and Common Area, subjected to this Declaration, which is described in Exhibit A, together with any additional land that may be developed pursuant hereto and annexed or incorporated in the Property by amendments or supplemental Declarations.

(KK) "REGISTER OF DEEDS" shall mean and refer to the office of the Register of Deeds or Register of Mesne Conveyances, as applicable, in the county in which the Property is located.

(LL) "REGULATIONS" shall mean and refer to the guidelines, rules, policies, regulations, and procedures, including, but not limited to, the Architectural Guidelines and builder building requirements, adopted by the Developer, the Board of Directors, When Empowered, or the Architectural Control Authority, for the Community, for each Neighborhood or Specific Purpose Area, if and when designated, and for any portion of the Property or the Area of Common Responsibility.

(MM) "RELEASED PARTIES" shall have the meaning specified in Section 2.21.

(NN) "SETTLEMENT AGREEMENTS AND OTHER AGREEMENTS" shall mean and refer to the agreements listed on Exhibit B. Each of the Settlement Agreements or Other Agreements may be hereinafter referred to individually by the name listed on Exhibit B.

(OO) "SPECIAL SERVICES" shall mean and refer to those services, if and when provided by the Developer or the Association as determined in the sole discretion of the Developer or the Board, When Empowered, from time to time, to some or all Owners of the Dwellings or Lots in the Community and so designated from time to time by the Developer or the Board, When Empowered. The Special Services may include, but are not limited to: labor; equipment; materials; management and supervision of the Special Services; shared insurance coverage for all or some of the Dwellings; landscaping maintenance, repair and replacement for all or some of the Lots; drainage maintenance, repair or replacement for all or some of the Lots; common roof maintenance, repairs and replacement for all or some of the Dwellings; exterior maintenance of some or all of the Dwellings, any specific portion of a Lot, or some or all of the Lots; pressure cleaning of some or all of the Dwellings; garbage service for some or all of the Lots; and security monitoring for all or some of the Lots and Dwellings. In addition to other funding available to the Association or Assessments levied by the Association, at the discretion of the Developer or the Board, When Empowered, the cost of Special Services may be funded by Regular Assessments, Specific Purpose Assessments or Special Services Assessments levied by the Association, without the consent of the Owners of the Lots or their mortgagees. The Special Services may be provided, increased, decreased, changed, suspended or terminated in the sole discretion of the Developer or the Board, When Empowered, without the consent of the Owner or their mortgagees. No Owner shall be exempt from paying the Regular Assessments, Specific Purpose Assessments, Special Services Assessments, or other Assessments as defined in Section 7.1, nor shall the amount of the Regular Assessments, Specific Purpose Assessments, Special Services Assessments or other Assessments be reduced because any Owner refuses such services

or provides or arranges for others to provide all or some of the Special Services, other than as specifically provided in this Declaration. The Developer shall have the right to veto the decision of the Board, When Empowered, to provide any or all Special Services, so long as it owns property in the Community or has Class "B" voting rights. Nothing herein shall require the Developer or the Association to provide any Special Services.

(PP) "SPECIAL SERVICES ASSESSMENTS" shall have the meaning specified in Section 7.8(a).

(QQ) "SPECIFIC PURPOSE AREA" when and if created, shall mean and refer to any specific group of Lots and/or Common Area and/or streets and road rights-of-way located within the Property benefiting from or being provided distinct Special Services not otherwise provided to or for the rest of the Community, and specifically identified and designated as a Specific Purpose Area by the Developer or the Association, When Empowered. When designating a Specific Purpose Area, the Developer or the Association, When Empowered, shall either give notice of such designation to all Owners of Lots within the Specific Purpose Area or record an instrument evidencing such designation with the Register of Deeds. Owners of Lots within a Specific Purpose Area are Members of the Association or the Master Association, if created, and the Specific Purpose Area exists under authority granted by the Developer or the Association. A Specific Purpose Area is not a Neighborhood, however the same portion of the Property may be designated a Neighborhood and a Specific Purpose Area. The Lots and/or Common Area and/or streets and road rights-of-way identified in a Specific Purpose Area may, but need not be, contiguous.

(RR) "SPECIFIC PURPOSE ASSESSMENTS" shall have the meaning specified in Section 7.7(a).

(SS) "SPECIFIC PURPOSE COMMITTEE" when and if created, shall mean and refer to a committee of Lot Owners within a Specific Purpose Area appointed by the Board of Directors, or at the option of the Board of Directors, elected by those Members located in the Specific Purpose Area, for any purpose determined by the Board of Directors, including but not limited to the creation for approval by the Board of Directors of a proposed budget and Specific Purpose Assessment for the Specific Purpose Area. The designation of a Specific Purpose Area does not require the creation of a Specific Purpose Committee.

(TT) "SUB-ASSOCIATIONS" when and if created, shall mean and refer to any other Additional Associations within the Property, all of the members of which are Members of the Association or the Master Association and which operates under authority granted by the Developer or the Association. The establishment of Neighborhoods, Neighborhood Architectural Control Authorities, Specific Purpose Areas, or Specific Purpose Committees, if and when designated, shall not be construed as creating a Master Association or Sub-Associations, unless expressly created and recognized as such by the Developer or the Association, When Empowered.

(UU) "WHEN EMPOWERED" shall mean when the Developer has transferred the right of performing some function to the Board of Directors or another entity (i) by the recordation of a document with the Register of Deeds, (ii) by giving written notice to the

Association at the Association's address of record, or (iii) by giving notice to the Owners attending a duly called meeting for that purpose. Except for those rights retained by the Developer in this Declaration, including, without limitation, Developer's rights as a Class "C" Member and any Class "B" Membership rights restored to the Developer for Lots that it re-acquires or additional land annexed to the Property after the termination of the Class "B" Membership, the transfer of all functions to the Association shall automatically occur upon termination of Developer's Class "B" Membership. "When Empowered" shall also mean and refer to when the Developer has temporarily delegated (as opposed to transferred) the right of performing some function to the Board of Directors, the Members, or to any other person or entity, which Developer may do without any recording or notice requirements.

## ARTICLE II
## USES OF PROPERTY, RESTRICTIONS AND EASEMENTS

Section 2.1 RESIDENTIAL USE OF PROPERTY. Unless otherwise designated in a supplemental Declaration filed by the Developer for additional land annexed to the Community, all Lots and Dwellings shall be used for single-family residential purposes only, and no commercial, business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Developer or the Board of Directors, When Empowered; provided, however, that nothing herein shall prevent the Developer, its agents, representatives, employees, or any builder of homes in the Community, approved by the Developer, from using any Lot owned or leased by the Developer or such builder of homes for the purpose of carrying on business related to the Community or related to the improvement and sale of Lots or Dwellings in the Community; operating a construction office, business office, sales office or model home, and displaying signs, and from using any Lot for such other facilities as in the sole opinion of the Developer may be required, convenient, or incidental to the completion, improvement, and sale of the Lots, Dwellings, or the Community; and provided, further that, to the extent allowed by applicable zoning laws, "home occupation," as defined in the Regulations or in the zoning ordinances of the governmental authority having jurisdiction over the Lot, may be maintained in a Dwelling located on any of the Lots as approved in writing by the Developer or the Board of Directors, When Empowered, and the governmental authority having jurisdiction over the Lot, so long as the "home occupation" complies with any and all conditions of such approvals.

Section 2.2 CONSTRUCTION IN ACCORDANCE WITH PLANS. EXCEPT AS PROHIBITED BY LAW, INCLUDING WITHOUT LIMITATION 47 U.S.C. § 303 NT, AND RELATED FCC RULES, 47 CFR § 1.4000 (WHICH LIMITS, BUT DOES NOT ENTIRELY PROHIBIT, CONTROL BY THE ASSOCIATION OF THE SIZE AND LOCATION OF ANTENNAS AND SATELLITE DISHES), NO IMPROVEMENT SHALL BE CONSTRUCTED, ERECTED, MAINTAINED, STORED, PLACED, REPLACED, CHANGED, MODIFIED, ALTERED OR IMPROVED ON ANY LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY UNLESS APPROVED BY THE ARCHITECTURAL CONTROL AUTHORITY AND ANY OTHER APPROPRIATE OWNER OR APPLICABLE GOVERNMENTAL ENTITY AND THE USE OF APPROVED IMPROVEMENTS SHALL COMPLY WITH THE REGULATIONS AND ARCHITECTURAL GUIDELINES IN EFFECT FROM TIME TO TIME. NO CONSTRUCTION, RECONSTRUCTION, ERECTION, REPAIR, CHANGE,

MODIFICATION SHALL VARY FROM THE APPROVED PLANS. Notwithstanding anything herein to the contrary, (a) until the termination of the Developer's Class "B" Membership, the Developer reserves the right to construct or modify any Improvements without submitting Plans to the Architectural Control Authority and without the approval of the Association, the Members or the Architectural Control Authority, and (b) if, after termination of Developer's Class "B" Membership, Developer reacquires a Lot through repurchase, foreclosure or otherwise and (c) if after termination of Developer's Class "B" Membership, Developer annexes additional property to the Community, Developer reserves the right to construct or modify any Improvements on such Lot and additional property without submitting Plans to the Architectural Control Authority and without the approval of the Association, the Members or the Architectural Control Authority.

Section 2.3 SUBDIVISION/COMBINATION OF LOTS AND ROAD USAGE. One or more Lots or parts thereof may be subdivided or combined only if approved in writing by the Developer. No Lot or Common Area may be used as a road unless approved in writing by the Developer, before or after termination of Developer's Class "B" Membership.

Section 2.4 LIVESTOCK AND PETS. Unless the following is amended by the Regulations established and amended by the Developer or by the Board of Directors, When Empowered, from time to time, no animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or Area of Extended Lot Owner Responsibility, except that dogs, cats or other small household pets may be kept in reasonable numbers as determined by the Developer or the Board of Directors, When Empowered, in its sole discretion, subject to applicable leash laws, provided that they are not kept, bred or maintained for any commercial purpose. Such household pets must not constitute a nuisance as determined by the Board of Directors in its sole discretion within the Community or cause unsanitary conditions within the Community, and no animal kept outside the Dwelling shall be kept in a manner which disturbs the quiet enjoyment of the Community or any other Owner. While not in a fully confined area, all pets shall be restrained by leashes and no pet shall enter upon any Lot or Area of Extended Lot Owner Responsibility without the express permission of that Owner or on the Common Area without express permission of the Developer or the Board of Directors, When Empowered. The pet owner will be responsible for clean up and removal of fecal matter deposited by such pet and shall be liable for, indemnify and hold harmless any other Owner, the Developer and the Association from any loss, cost, damage or expense incurred by such Owner, the Developer or the Association as a result of any violation of this provision.

Section 2.5 OFFENSIVE ACTIVITIES. Unless the following is amended by the Regulations established and amended by the Developer or by the Board of Directors, When Empowered, from time to time, no noxious, offensive or illegal activities as determined by the Developer or the Board of Directors, When Empowered, shall be carried on upon any Lot, Area of Extended Lot Owner Responsibility, Common Area, or street and road right-of-way, nor shall anything be done thereon which is or may become an annoyance or nuisance to any Owner in the Community, including without limitation nuisances of a permanent or temporary nature, occurring on an intermittent or continual basis, and those that are a nuisance to one or more Owners in the Community.

Section 2.6 TRAILERS, TRUCKS, BUSES, BOATS, PARKING, ETC. Unless the following is amended by the Regulations established and amended by the Developer or by the Board of Directors, When Empowered, from time to time, no passenger vehicles, buses, trailers, mobile homes motorcycles, boats, boat trailers, all-terrain vehicles, go-carts, campers, vans or vehicles on blocks, unlicensed vehicles, or like vehicles shall be kept, stored, used, or parked overnight either on any street within the Community, in the Common Area, or on any Lot or Area of Extended Lot Owner Responsibility, without the approval of the Developer or the Board of Directors, When Empowered; provided, however, that passenger vehicles may be parked in approved areas on a Lot, to include garages, paved driveways, and any other area approved by the Developer or the Board of Directors, When Empowered, or as specified in the Regulations. No unsafe parking shall be allowed on any streets in the Community. The Developer or the Board of Directors, When Empowered, may in its sole discretion determine what is unsafe and issue regulations to control on and off street parking. All parking spaces contained in the Common Area shall be subject to any parking Regulations created by the Developer or the Board of Directors, When Empowered.

Section 2.7 VEHICLE USAGE. The Developer or the Board of Directors, When Empowered, may create Regulations governing the manner of usage and types of motor vehicles, including golf carts, that may be used on the streets and roadways in the Community. All Owners and their Permittees shall comply with all such Regulations and all other applicable laws and regulations and shall operate their vehicles in a safe and reasonable manner.

Section 2.8 USE OF GARAGES. Garages are to be used for parking vehicles and storage of personal property. Unless the Developer or the Board of Directors, When Empowered, gives written authorization to the contrary, no Owner shall: (i) use their garage in a manner that would prevent the immediate conversion of the garage space to accommodate parking or storage as determined by the Developer or the Board of Directors, When Empowered, (2) use their garage in such a way that creates a nuisance as determined by the Developer or the Board of Directors, When Empowered, or (3) use their garage for any other purpose that would permanently prevent parking or storage in the garage as determined by the Developer or the Board of Directors, When Empowered.

Section 2.9 EXCAVATIONS OR CHANGING ELEVATIONS. No Owner shall excavate or extract earth for any business or commercial purpose within the Property.

Section 2.10 SEWAGE SYSTEM. Sewage disposal shall be through the public or private system or by septic tank approved by appropriate State and local agencies. If there is a public or private system serving the Community, the Owner shall be obligated to use the system unless authorized otherwise by the Developer or the Board of Directors, When Empowered.

Section 2.11 WATER SYSTEM. Water shall be supplied through a public or private system or any other system or well approved by appropriate State and local agencies. If there is a public or private system serving the Community, the Owner shall be obligated to use the system unless authorized otherwise by the Developer or the Board of Directors, When Empowered.

Section 2.12 UTILITY FACILITIES. The Developer reserves the right to approve the necessary construction, installation and maintenance of utility facilities and service lines for, on, over or under the Property or any portion thereof, including but not limited to telephone, cable television, electricity, gas, water and sewage systems, which may be in variance with this Declaration or the Regulations.

Section 2.13 MINIMUM SQUARE FOOTAGE REQUIREMENT. Unless otherwise stated in a document recorded with the Register of Deeds, the Developer may establish and amend minimum square footage requirements for Dwellings within the Community, which may differ for each Lot or group of Lots in the Community. The Developer or the Architectural Control Authority, When Empowered, shall have the right to approve or disapprove any multi-level Plan based solely on the amount of heated square footage contained within any level or floor and/or relationship of that level's or floor's footage to the total heated footage contained within the other levels of the Dwelling or Improvement or the Dwelling or Improvement in its entirety.

Section 2.14 BUILDING SETBACK REQUIREMENTS. Unless the Developer or the Architectural Control Authority, When Empowered, waives the requirement or unless a setback is otherwise shown on any of the Plats recorded with respect to the Community or unless otherwise stated in a document recorded with the Register of Deeds, the approved exterior finished face, steps, eaves and overhangs of all Improvements, including but not limited to, approved Dwellings, buildings, garages, porches, sheds, greenhouses, bathhouses, terraces, patios, decks, stoops, wing walls, swimming pools and storage buildings for related equipment (including but not limited to filters and water pumps) shall be placed on the Lot so as to meet the criteria set forth by (a) an appropriate governmental authority, and (b) the Architectural Control Authority, which may differ for each Neighborhood, if and when designated, and for any additional phases of the Community.

Section 2.15 WAIVER OF SETBACKS, BUILDING LINES AND BUILDING REQUIREMENTS. The Developer or the Architectural Control Authority, When Empowered, may waive violations of the setbacks and building lines shown on one or more Plats recorded with respect to the Community or set out in this Declaration or in the Regulations. Such waiver shall be in writing and recorded by the Owner with the Register of Deeds. A document executed by the Developer or the Architectural Control Authority, When Empowered, shall be, when recorded, conclusive evidence that the requirements hereof have been complied with. The Developer or the Architectural Control Authority, When Empowered, may also, from time to time as they see fit, eliminate violations of setbacks and boundary lines by amending any of the Plats. Nothing contained herein shall be deemed to allow the Developer or the Architectural Control Authority, When Empowered, to waive violations which must be waived by an appropriate governmental authority without the Owner obtaining a waiver from such authority.

Section 2.16 YARD AND LANDSCAPING MAINTENANCE.

(a) In the event that the Owner of any residential Lot, improved or unimproved, fails to maintain their yard and overall landscaping of their Lot or Area of Extended Lot Owner Responsibility in a manner in keeping with the Declaration, as determined by the Developer or the Architectural Control Authority, When Empowered,

from time to time as they see fit, the Developer or the Architectural Control Authority, When Empowered, may issue a compliance demand requiring the Owner of the residential Lot to bring the Lot or Area of Extended Lot Owner Responsibility into keeping with the Declaration, as determined by the Developer or the Architectural Control Authority, When Empowered. If the Owner of the residential Lot fails to comply within the time required by the notice, the Developer or the Association and their designees may enter upon the Lot or Area of Extended Lot Owner Responsibility, bring the Lot or Area of Extended Lot Owner Responsibility into keeping with the Community, as provided above, and levy against the Owner of the Lot an Assessment for Non-Compliance and such Assessment shall be a lien upon the Lot. The rights of the Developer under Section 2.16 shall continue after termination of the Developer's Class "B" Membership.

(b) The responsibility of an Owner of a residential Lot to properly maintain their yard and overall landscaping of their Lot and Area of Extended Lot Owner Responsibility includes, but is not limited to, the following:

(i) prevent any underbrush, weeds, or other unsightly plants to grow upon the Lot and Area of Extended Lot Owner Responsibility;

(ii) provide permanent vegetation, including but not limited to grass, fully and uniformly distributed over the Lot and Area of Extended Lot Owner Responsibility;

(iii) unless approved otherwise by the Developer or the Board of Directors, When Empowered, maintain and (if they are determined to be unhealthy by the Developer or the Board of Directors, When Empowered) replace, any tree(s) or portions thereof and/or other vegetation upon the Lot or Area of Extended Lot Owner Responsibility or located within the road right-of-way, that (1) are specifically required to be removed or replaced by the Developer or the Board of Directors, When Empowered, (2) were required by the Architectural Control Authority, to have been protected during construction, or (3) were placed in this area in accordance with an approved landscape plan;

(iv) provide proper grading and drainage on the Lot and Area of Extended Lot Owner Responsibility, in accordance with Article X of this Declaration;

(v) prevent and repair any erosion on the Owner's Lot, Area of Extended Lot Owner Responsibility, any other Lot, or any street in the Community caused by surface run-off from the Owner's Lot, in accordance with Article X of this Declaration; and

(vi) providing at their own expense general maintenance, including but not limited to proper watering, insect and weed control, fertilization, pruning, regular replacement of straws and mulch, proper drainage control, etc. and other types of normal maintenance not provided by the Association, of the overall

landscaping and grass for their Lot and Area of Extended Lot Owner Responsibility in compliance with the Regulations and Architectural Guidelines established by the Developer, the Board of Directors, When Empowered, and the Architectural Control Authority, When Empowered.

(c) Any entry by the Association or the Developer or their agents, employees, officers or contractors under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer and to the Association for the purpose of entry onto any residential Lot or Area of Extended Lot Owner Responsibility for the purpose of enforcing this Section. This provision shall not be construed as an obligation on the part of the Developer or the Association to provide any services. As provided herein, these rights may be assigned by the Developer to the Association, or other appropriate entities. The Owner shall hold harmless the Developer, its agents and employees, officers and contractors and the Board of Directors, and the Architectural Control Authority from any liability incurred arising out of correcting the Owner's breach of this Section.

Section 2.17 MAINTENANCE OF FENCES. Though an alternative agreement for the maintenance responsibility for Fencing may be reached between a Lot Owner and an adjoining Lot Owner upon the mutual consent of both parties, each Lot Owner shall remain responsible for maintaining and repairing any Fencing, or portion thereof, constructed for or by such Owner, but not by an adjoining Lot Owner, regardless of whether the Fencing or the portion thereof is located on their Lot or on an adjoining Lot or Common Area. This classification of Fencing may include Fencing that was constructed by the Developer or by a Builder and that is then deemed by the Developer or the Board of Directors, When Empowered, to be the responsibility of that Owner. Fencing of this type that borders the Community shall be deemed "Community Perimeter Fencing" and may be deemed, if so determined by the Developer or the Board of Directors, When Empowered, the responsibility of the Lot Owner. The Association shall not be bound by or obligated to enforce any agreement between adjoining Lot Owners, but may choose, in the absolute discretion of the Developer or the Board of Directors, When Empowered, to deem an agreement between or among adjoining Lot Owners effective as to the assignment or apportionment of maintenance responsibilities for any Fencing and to enforce such agreement.

With respect to Fencing located on an adjoining Lot or Common Area constructed for or by an Owner in accordance with Section 2.27 (FENCING EASEMENT), the Lot Owner's responsibility shall only apply to the portions of the Fencing on the adjoining Lot or Common Area that are constructed to attach the Fencing of that Lot Owner to the existing Fencing on that adjoining Lot or Common Area. This provision shall in no way limit, however, the responsibility of an Owner to maintain any portion of the Fencing that is deemed to be that Owner's responsibility by the Developer or the Board of Directors, When Empowered.

At the sole discretion of the Developer or the Board of Directors, When Empowered, the Association may, without the consent of the Lot Owner, assume maintenance responsibility for some or all portions of Fencing located on the Lot of that Owner that borders a roadway or that is located near the perimeter of the Community. The Association shall not, however, be obligated to maintain such Fencing, unless so determined by the Developer or the

Board of Directors, When Empowered, and then only for such period and to the degree or to a standard determined appropriate by the Developer or the Board of Directors, When Empowered. The standard set by the Developer or the Board of Directors, When Empowered, for the maintained condition of Fencing that is the responsibility of the Association may be different than the standard set by the Developer or the Board of Directors, When Empowered, for Fencing on lots that is to be maintained by Lot Owners, for different types of Fencing or for Fencing located in different portions of the Community.

Community Perimeter Fencing shall be that Fencing located within a Common Area, set back area or Buffer Area on the perimeter of the Community, which is owned by the Association. The Lot Owners of Lots 24, 25, 26, 27, 28, 29, 30, 31, 32, 33 and 34 and such other Lots as the Developer, or the Board of Directors, When Empowered shall designate, from to time, shall maintain, repair and replace the Community Perimeter Fencing located in the Buffer adjacent to said Lots, unless the Developer or the Board of Directors, When Empowered determined otherwise in their sole discretion. The level of and schedule for such maintenance, repair and replacement shall be as determined by the Developer or the Board of Directors, When Empowered, and such maintenance, repair and replacement shall be in accordance with the terms of the Settlement Agreement ( see Item 1 of Exhibit "B").

Though normal maintenance, repair and replacement of such Fencing should be performed routinely; upon receipt of written notice from the Association that maintenance, repair and replacement is required for any Fencing that is deemed to be the responsibility of an Owner by the Developer or the Board of Directors, When Empowered, Said Owner shall promptly perform such maintenance, repair and replacement within the timeframe allowed in such notice. To protect the integrity and the appearance of any Community Perimeter Fencing, prior to commencing any form of maintenance, repair and replacement of any portion of the Community Perimeter Fencing; a Lot Owner must first obtain the written approval from the Developer or Board of Directors, When Empowered for such maintenance, repair or replacement.

Section 2.18 LEASES OF LOTS. Any lease agreement between an Owner and a tenant for the lease of such Owner's Lot or portion thereof, including any portion of the Dwelling or other Improvement on the Lot, shall be subject to and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Articles of Incorporation and By-Laws, and the Regulations. The Owner shall incorporate in any lease of any Lot, Dwelling, or Improvement a provision stating that failure to comply with the terms of such documents and Regulations shall be a default under the terms of the lease. All leases of Lots, Dwellings, or Improvements shall be in writing and a copy of the executed lease, upon written demand, must be provided to the Developer or the Board of Directors, When Empowered.

Section 2.19 STREET LIGHTING CHARGE. Each Owner shall pay a proportional share of the monthly charge for street lighting service as prescribed by the South Carolina Public Service Commission, or pay for such street lighting charge as part of the Regular Assessment as may be determined by the Developer or the Board of Directors, When Empowered. The electric utility company may bill the Owner or the Association for this charge as part of the monthly electric utility bill.

Section 2.20 HAZARDOUS TREES. A "hazardous tree" is any tree designated as such by the Developer or the Board of Directors, When Empowered, which presents a hazard to person or property due to conditions, including but not limited to, deterioration, death, or physical damage to the root system, trunk, stem or limbs, and the direction and lean of the tree(s). Unless the responsibility for cutting and removal of a hazardous tree is specifically determined or voluntarily assumed by the Board of Directors to be the responsibility of the Association, an Owner of a Lot adjoining a Common Area shall be responsible for cutting and removing hazardous trees within the Common Area that may cause injury to person or property if such hazardous tree were to fall upon the Owner's Lot. The determination of whether any tree may be cut, whether the tree or any portion of the tree must be removed from the site after cutting, and the location which any debris related to the cutting of the tree may be left or placed within the Common Area shall at all times be that of the Developer, the Board of Directors, When Empowered or Architectural Control Authority, When Empowered. Notwithstanding the foregoing, prior to taking any steps to cut or remove a tree, an Owner must obtain the written approval of the Developer, the Board of Directors, When Empowered or Architectural Control Authority, When Empowered. Unless some portion of the cost of the cutting or removal of a tree is assumed by the Association, the affected Lot Owner shall bear all costs associated with the cutting and removal of hazardous trees, and such cutting and removal shall at all times be subject to the Regulations and the Architectural Guidelines as in effect from time to time.

Section 2.21 PONDS. The pond(s), lakes, wetlands, detention ponds, or other water retention structures are those portions of the Property designated on one or more of the Plats, if any, as Ponds; included in a Cost Sharing Agreement; or located in an Area of Common Responsibility and shall be kept and maintained as ponds for water retention, drainage, irrigation, and water management purposes in compliance with all governmental requirements. The Ponds may be located in the Property; located in an area included in a Cost Sharing Agreement or located in an Area of Common Responsibility unless otherwise designated by the Developer or the Board of Directors, When Empowered, and may be maintained, administered, and ultimately owned by the Association, the Developer or a Third Party. Nothing in this Section, however, shall impair or limit the Developer's or Association's right to remove the Pond from the Property, Common Area; Area of Common Responsibility or from the operation of the Cost Sharing Agreement pursuant to the rights retained by it in this Declaration or the Cost Sharing Agreement. In furtherance of the foregoing, the Developer hereby reserves and grants an easement in favor of itself and the Association, throughout all portions of the Property as may be necessary for the purpose of accessing, maintaining and administering the Ponds. Neither the Developer nor the Association shall have any obligation to repair, replace or maintain any dam or dams or any other Improvements adjoining the Ponds, unless otherwise required by applicable law.

Water levels in the Ponds may rise and fall significantly or disappear due to among other things, rainfall and fluctuations in ground water elevations within the surrounding areas. Accordingly, neither the Developer nor the Association has control over such water levels and/or ground water elevations. Each Owner, by acceptance of a deed to his Lot, hereby releases Developer, the Association, and the Board of Directors, When Empowered, from and against any and all losses, claims, demands, liabilities, damages, costs and expenses of whatever nature or kind (including without limitation, attorneys' fees), related to, and arising out of water levels in the Pond(s). No riparian rights are granted or conveyed hereunder to any Lot adjacent to a Pond or to any Owner,

including but not limited to the right to use the water within the Pond. The rights of Owners, if any, to use any Ponds, or the water therein, are derived solely from membership in the Association and are subject to and may be limited or prohibited by the Regulations and/or the terms of any Cost Sharing Agreement.

DEVELOPER AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING BUT NOT LIMITED TO, LIFEGUARDS, FOR THE PONDS, AND ANY INDIVIDUAL USING THE POND(S) SHALL DO SO AT HIS OWN RISK AND HEREBY HOLDS DEVELOPER AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS ARISING FROM SUCH USE.

EACH OWNER, BY THE ACCEPTANCE OF A DEED TO HIS LOT, ACKNOWLEDGES THAT THE PONDS ARE DEEP AND DANGEROUS. NEITHER THE DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (HEREINAFTER "RELEASED PARTIES") SHALL BE RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY, OR WATER LEVEL OF/IN ANY POND, CREEK, OR STREAM WITHIN THE PROPERTY EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, ANY APPLICABLE GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE RELEASED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING ON, OR OTHERWISE RELATED TO, THE POND(S), ALL PERSONS USING THE SAME DOING SO AT THEIR OWN RISK. ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO THE LOT OR USE OF, THE POND(S), TO HAVE AGREED TO RELEASE THE RELEASED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN THE POND(S).

Section 2.22 RESTRICTED WETLANDS AREAS. In addition to any restrictions placed on areas delineated as wetlands by the Army Corps of Engineers or any other applicable governmental authority, the Owners of Lots upon which wetlands are located or to which wetlands are adjacent to the Property, in an Area of Common Responsibility or included in a Cost Sharing Agreement shall be prohibited from the following:

- Filling, draining, flooding, dredging, impounding, or otherwise changing the grade or elevation, or impairing the flow or circulation of waters, or reducing their reach;
- Cutting, clearing, cultivating, burning or otherwise destroying vegetation in areas shown as wetlands;
- Excavating, erecting, or constructing any facility, releasing wastes, or otherwise doing any work in areas shown as wetlands;
- Introducing or releasing any exotic species of plant or animals into the wetland areas;

- Any other discharge or activity requiring a permit under The Clean Water Act or other water pollution control laws and regulations as may be amended from time to time; or

- Any other act that may be prohibited by any governmental authority.

Where upland buffers have been identified in association with wetlands for the purpose of mitigation in obtaining Clean Water Act permits for the development of the site, the identified buffers carry the same restrictions as delineated wetlands and may not be altered in any way without prior approval of the U. S. Army, Corps of Engineers or the South Carolina Department of Health and Environmental Control.

A Lot Owner may, at its sole cost and expense, with the express prior written approval of the Developer or the Board of Directors, When Empowered, remove or trim vegetation that the Developer or the Board of Directors, When Empowered, deems hazardous to person or property. Upon receipt of written approval to remove or trim any vegetation in a wetlands area or its identified buffer, on a Lot, Common Area, Area of Common Responsibility, or an area included in a Cost Sharing Agreement, from the Developer or the Board of Directors, When Empowered, prior to taking any such action, the Lot Owner must then obtain any necessary approvals or permits from the applicable governmental authority having jurisdiction over such matters.

Section 2.23 EASEMENT FOR UTILITIES, ROADS AND COMMON FACILITIES. The Developer reserves unto itself, the Association, When Empowered, and their Permittees a perpetual, alienable easement and right of ingress and egress, over, upon, across and under each Lot and Area of Extended Lot Owner Responsibility and all Common Area and Areas of Common Responsibility, if any, as are necessary or convenient for the erection, maintenance, installation, and use of electrical systems, cable television systems, irrigation systems, landscaping, telephone wires, cables, conduits, sewers, water mains, and other suitable equipment, other Improvements and buildings necessary or convenient for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public conveniences or utilities, including but not limited to privately owned television systems and other communications cable and equipment, and the Developer or the Association, When Empowered, may further cut drainways for surface water when such action may appear to the Developer or the Board of Directors, When Empowered, to be necessary in order to maintain reasonable standards of health, safety, and appearance, or to correct deviations from approved development drainage Plans, provided such easements shall not encroach on or cross under (a) existing Dwellings on a Lot, or (b) existing buildings on the Common Area unless Developer agrees to pay for the cost of the relocation or reconstruction of such Common Area building.

The Developer further reserves unto itself and its Permittees a perpetual, alienable easement and right of ingress and egress, over, upon, across and under all Common Area and Areas of Common Responsibility as set out in Section 5.4.

Unless otherwise shown on any of the Plats recorded with respect to the Community, the Developer further reserves an easement on behalf of itself and its Permittees over five feet (5') along each side Lot line of each Lot, and five feet (5') along the rear Lot line of each Lot, and over five feet (5') along the front Lot line of each Lot, and over such other area of each Lot and

Area of Extended Lot Owner Responsibility as is shown on any of the Plats recorded with respect to the Community, in each case for the purpose of construction, installation and maintenance of utilities and drainage and utility and drainage rights of way.

The easements and rights set forth in this Section expressly include the right to cut any trees, bushes, or shrubbery, make any grading of soil, and take any other similar action reasonably necessary to provide economical and safe utility or drainage or other installation and to maintain reasonable standards of health, safety and appearance.

The Developer further reserves unto itself, the Association, When Empowered, and their Permittees a perpetual, alienable easement and right to locate signs, entrances, landscaping, sprinklers and other Improvements related to the Common Area or Area of Common Responsibility or common facilities of the Community including, but not limited to, entrances, wells, pumping stations, and tanks, within residential areas on any walkway or any residential Lot or Area of Extended Lot Owner Responsibility.

The easements and rights set forth in this Section may be exercised by the licensee or designee of the Developer or the Association, When Empowered, but these reservations shall not be considered an obligation of the Developer to provide or maintain any such services.

No Improvements, including, but not limited to, walls, fences, paving or planting shall be erected upon any part of the Property which will interfere with the easements and rights of ingress and egress provided for in this Section, and no Owner shall take any action to prevent the Association, the Developer, or any public or private utility, or any of their agents, contractors or employees from utilizing the easements reserved herein.

**THE DEVELOPER, THE ASSOCIATION, THE ARCHITECTURAL CONTROL AUTHORITY, THEIR AGENTS, EMPLOYEES AND OFFICERS SHALL NOT BEAR RESPONSIBILITY FOR THE REPAIR OR REPLACEMENT OF ANY LANDSCAPING PLANTED, SPECIAL GRADING ESTABLISHED, OR IMPROVEMENT CONSTRUCTED WITHIN AN EASEMENT, WHETHER PLANTED, ESTABLISHED OR CONSTRUCTED INTENTIONALLY OR INADVERTENTLY AND WHETHER APPROVED OR NOT BY THE ARCHITECTURAL CONTROL AUTHORITY.**

The Developer expressly reserves the right to alter, expand or overburden any easement described in this Section. Such right to alter, expand or overburden shall be limited to such extent as will allow the Owner of the affected Lot and Improvement to convey marketable title. The rights and easements conferred and reserved herein shall be appurtenant to any property now or hereafter owned by Developer, whether or not subject to this Declaration, and shall be easements in gross of a commercial nature for the benefit of the Developer, the Association and their Permittees to serve any property whether or not subject to this Declaration.

Section 2.24 ACCESS EASEMENT BY DEVELOPER OR ASSOCIATION, WHEN EMPOWERED. For the purpose of performing its function under this or any other Article of this Declaration, the Developer reserves unto itself, the Association, When Empowered, and their Permittees a perpetual, alienable easement and right of ingress and egress, over, upon, across and under each Lot and Area of Extended Lot Owner Responsibility to

(a) correct any violation of this Declaration, the Architectural Guidelines or the Regulations, (b) make necessary examinations in connection therewith, (c) respond to the request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property, and (d) in the sole discretion of the Developer or the Board of Directors, When Empowered, prevent an anticipated request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property. Any entry by the Developer or the Association, When Empowered, or their designees under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer and to the Association, When Empowered, for the purpose of entry onto any residential Lot or Area of Extended Lot Owner Responsibility for the purpose of enforcing this Section.

Section 2.25 EMERGENCY ACCESS EASEMENT. The Developer reserves unto itself, the Association, When Empowered, their Permittees and to all policemen, firemen, ambulance personnel and all similar emergency personnel a perpetual, alienable easement and right of ingress and egress over, upon, across and under the Property, any part thereof, any Lot or Dwelling in the proper performance of their respective duties. Except in the event of emergencies, the rights under this Section shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner affected thereby, which notice may be of a general nature to the Owners of the Developer's and the Association's right of entry hereunder. The rights granted herein to the Developer and the Association include the reasonable right of entry upon any Lot, Area of Extended Lot Owner Responsibility or Dwelling to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Community. Any entry by the Association or the Developer or their designees under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer and to the Association for the purpose of entry onto any residential Lot, Area of Extended Lot Owner Responsibility or Dwelling for the purpose of enforcing this Section.

Section 2.26 CONSTRUCTION EASEMENT FOR THE DEVELOPER. The Developer and its duly authorized representative, agents, and employees shall have an alienable right and easement on, over, through, under and across the Property for the purpose of (a) constructing Dwellings or other Improvements on the Lots, (b) making such other Improvements to the Property as Developer, in its sole discretion, desires, (c) installing, replacing, and maintaining all Dwellings and other Improvements within the Community, including utilities servicing the Property or any portion thereof, and (d) doing all things reasonably necessary and proper in connection therewith; provided in no event shall Developer have the obligation to do any of the foregoing.

Section 2.27 FENCING EASEMENT. There shall be provided to each Lot Owner on each Lot or Common Area that adjoins the Lot of that Owner, an easement for the placement, construction and maintenance, repair and replacement of Fencing, the size, location and design of which must be approved by the Architectural Control Authority. The easement shall extend into the adjoining Lot or Common Area along the common property line between the Lot of the Owner and the adjoining Lot or Common Area no more than eighteen inches (18") or such lesser distance as may be necessary to allow the Lot Owner to connect his Fencing to existing Fencing on the adjoining Lot or Common Area. Such easement shall only exist when

Fencing has been placed or constructed on the adjoining Lot or Common Area adjacent to some portion of the property line between the Owner's Lot and the adjoining Lot or Common Area. Upon receipt of written approval for the size, design and location of the Lot Owner's Fencing from the Architectural Control Authority, the placement or construction of such Fencing shall not require the approval or consent of the adjoining Lot Owner or the further consent of the Association. This easement may extend forward or rearward along the property line between the Owner's Lot and the adjacent Lot or Common Area beyond the location of existing Fencing on the adjacent Lot or Common Area, if the location approved by the Architectural Control Authority for the Lot Owner's Fencing requires that such Fencing be extended in order to connect the Fencing of the Lot Owner with the existing Fencing on the adjacent Lot or Common Area. Though agreement may be reached between Lot Owners or between a Lot Owner and the Association to share the cost of the construction or maintenance of Fencing between Lots or between a Lot and a Common Area, neither the Association nor an adjoining Lot Owner shall require compensation from a Lot Owner for the use of this easement for the purpose of connecting their fence to an existing fence on a Common Area or on the Lot of an adjoining Lot Owner.

Section 2.28 SPECIAL SERVICES AND EASEMENT FOR THE DEVELOPER AND THE ASSOCIATION TO PROVIDE SPECIAL SERVICES TO ONE OR MORE LOTS.

(a) The Developer or Association may provide the necessary funding to make Special Services available to or to provide such services to Owners of Lots in the Community, which may include the budgeted cost of providing such services, as well as reserves and contingencies, and may make such funding requirement a part of the Regular Assessment, a Specific Purpose Assessment or a Special Services Assessment levied for this purpose. The Developer reserves unto itself and the Association, a perpetual, alienable easement and right of ingress, egress and access, over, upon, across and under each Lot for providing Special Services.

(b) Nothing herein shall require the Developer or the Association to provide any Special Services addressed herein, but the easement shall be for the purpose of providing these elective services if the Developer or the Board of Directors, When Empowered, elects to provide Special Services. If the Developer or the Board of Directors, When Empowered, elects to make Special Services available to a Lot Owner or to provide Special Services to a Lot, then the Lot Owner will be obligated to pay Assessments to pay the cost of Special Services. If (i) a Lot Owner has paid Assessments in an amount deemed by the Developer or the Board, When Empowered, each in its sole discretion, to be sufficient to fund such Special Services for that Owner's Lot, and (ii) the Owner is otherwise in compliance with the Declaration and the Regulations, then such Lot Owner shall be eligible to receive Special Services (according to the schedule of services arranged by the Developer or Association in the Developer's or the Board's, When Empowered, sole determination). Nothing herein shall require the Developer or the Association to provide Special Services for a Lot or to schedule any other services for a Lot other than at the one time or times that Special Services are scheduled for all Lots during the applicable budget year. If any Assessment levied against a Lot shall be delinquent, then the Developer and the Association may, in addition to any other remedy

set out in this Declaration, terminate, suspend, increase, decrease or change, in the sole discretion of the Developer or the Board, When Empowered, without the consent of the Owner or their mortgagees, the Special Services to the Lot. In the event the Developer, or Board of Directors, When Empowered, determines that any or all of the Special Services should not be provided for any Lot or all Lots, the Developer and Association shall be relieved of any obligation to provide any or all Special Services for any or all Lots, as it determines in its sole discretion.

Section 2.29 EASEMENT FOR DRIVEWAYS OVER COMMON AREA. The Developer reserves unto itself a perpetual and alienable easement and right of ingress and egress, over, upon, across and under all Common Area, if any, as are necessary or convenient for the construction, maintenance, and use of driveways for Dwellings in the Community provided such easement shall not encroach on or cross under existing buildings on the Common Area. This easement and right expressly includes the right to cut any trees, bushes, or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe access and to maintain reasonable standards of health, safety, and appearance. Such right may be exercised by the licensee of the Developer, but this reservation shall not be considered an obligation of the Developer or the Association to provide or maintain any such driveway. No Improvements, including, but not limited to, walls, fences, paving, or planting shall be erected upon any part of the Common Area within the Property which will interfere with the rights of ingress and egress provided for in this paragraph and no Owner shall take any action to prevent the Association, the Developer, or any of their agents, contractors or employees from utilizing the easements reserved herein.

Section 2.30 PARKING RIGHTS ON COMMON AREA. Where there are parking spaces, in addition to those spaces located on the Lots, on any road right of way within the Community or on Common Area, which are for the benefit of some Lots or for all Lots in the Community, unless otherwise determined by the Developer or the Board of Directors, When Empowered, or unless otherwise set forth in the Regulations, as amended from time to time, these parking spaces shall be limited to the use of the guests, invitees, and licensees of the Lot Owners whose Assessments pay for the maintenance of these spaces and are not to be used by the Lot Owners as additional parking spaces for themselves or other residents of the Dwellings in the Community. Violations of use of the parking spaces or of any Regulation addressing the use of such spaces shall be determined in the sole discretion of the Developer or Board of Directors, When Empowered, and the Developer or Board of Directors, When Empowered, may levy Assessments for Non-Compliance against a Lot Owner as they may, in their sole respective discretion, deem appropriate. In addition, the Developer or the Board of Directors, When Empowered, may deprive the offending Lot Owner, their guests, invitees, and licensees of the use of such parking spaces for such period of time as the Developer or Board of Directors, When Empowered, in their sole respective discretion, may deem appropriate and may exercise all other remedies set out in the Declaration in the case of such violation.

Section 2.31 DECORATIVE SIGNAGE. Where decorative or specialty signage, including street signs, stop signs and other signs of a similar type are installed in the community by the Developer, unless responsibility for the maintenance, repair and replacement of such signage is assumed by another entity, such as the State, County or an applicable local municipality, the Association shall at all times assume responsibility for maintaining, repairing

and replacing such signage in a manner and to the degree as may be deemed reasonably appropriate by the Developer or the Board of Directors, When Empowered.

Section 2.32 BUFFERS. Portions of the Property may be subject to buffers or other vegetative, landscaping, environmental or wildlife control areas as shown on any of the Plats and/or as established by any governing authority or authorities having jurisdiction over such matters. Such buffers and control areas may limit the Improvements, or Fencing permitted to be constructed on any Lot affected thereby. Each Owner, at its sole cost and expense, shall maintain any such area located on Owner's property as a buffer in accordance with the Plats, the Regulations, and any applicable laws, regulations and ordinances of any governing authority or authorities. The Provisions of Section 2.17 shall apply to any Fencing within a Buffer.

Section 2.33 REGULATIONS. The use of the Property, is and shall be subject to the Regulations as in effect from time to time. The Developer and the Board of Directors, When Empowered, may from time to time adopt, amend, change, modify or eliminate any Regulation and may waive any violation of the Regulations, in their sole discretion, without notice to the Owners. Until the termination of Developer's Class "B" Membership, the Developer may, in its sole discretion, veto any modification to the Regulations proposed or implemented by the Association; override any attempt by the Association to enforce or implement the Regulations; and require the Association to enforce and implement any provision of the Regulations. The Regulations may apply to the entire Property, to portions of the Property, or exclusively to specific Neighborhoods or Specific Purpose Areas, if and when designated. Except as otherwise specifically set forth herein, the Regulations may modify the use rights and restrictions set forth in this Declaration and may be more or less restrictive than required by applicable law; provided, however, that each Owner shall at all times be required to comply with applicable law in addition to complying with this Declaration.

Section 2.34 NO ENFORCEMENT OBLIGATION; DELEGATION; WAIVERS AND VARIANCES.

(a) Neither the Developer nor the Association shall have any responsibility to police or enforce any violations of this Declaration or the Regulations and shall have no liability for any violations hereof or for the failure to create, monitor, or enforce any Regulations.

(b) Until the termination of Developer's Class "B" Membership, the Developer may, in its sole discretion, delegate, temporarily or for the period that these rights and authority are reserved to the Developer, any and all rights of Developer set out herein.

(c) Until the termination of Developer's Class "B" Membership, the Developer and, thereafter, the Board of Directors, may, in its sole discretion, waive any violation of this Declaration or the Regulations and grant variances to the covenants and use restrictions set forth herein or therein without the consent of the Members.

## ARTICLE III
## THE ASSOCIATION

Section 3.1 MEMBERSHIP. It is mandatory that every person or entity who is an Owner of any Lot shall be a Member of the Association. The designation of different classes of membership is for the purpose of establishing the number of votes held by certain Members, and, nothing herein shall be deemed to require voting solely by an individual class on any matter which requires the vote of the Members.

Section 3.2 MEMBERSHIP CLASSES. The Association shall have three (3) classes of Membership.

(a) CLASS "A". Class "A" Members shall be all Owners excepting the Developer. Class "A" Members shall be entitled to one (1) vote for each Lot they own. When more than one (1) person holds such interest or interests in any Lot, the entire vote attributable to such Lot shall be exercised by one (1) individual who is duly authorized in writing by all of the Owners of that Lot. In no event shall more than one (1) vote or a partial vote be cast with respect to any such Lot. When more than one person holds such an interest or interests in a Lot, it shall be the responsibility of those Owners to provide the Developer or the Association with written notification, with the signatures of all of those persons owning an interest in the Lot affixed, of the name and mailing address of that person authorized to receive notification from the Association and to cast said vote. Class "A" Membership shall be mandatory for all Owners except the Developer and may not be separated from ownership of any Lot.

(b) CLASS "B". The sole Class "B" Member shall be the Developer. The Class "B" Member shall be entitled to cast the greater of four (4) votes for each Lot for which it holds title or one more vote than the total votes of the Class "A" Members. The Developer's Class "B" Membership shall end and Class "C" Membership shall automatically begin when (i) both (A) one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, and (B) Developer no longer owns any of the Property; or (ii) at such time as the Developer voluntarily relinquishes its Class "B" Membership in writing to the Association; in each case subject to the rights of the Developer to reinstate the Class "B" Membership upon reacquiring of any Lot or Common Area or annexation of additional land to the Property as set out in the Declaration. In addition to any and all rights granted to it in this Declaration, the Developer shall enjoy all of the rights granted to the Class "C" Member.

(c) CLASS "C". The sole Class "C" Member shall be the Developer. The Class "C" Member shall have no voting rights and no assessment obligations. The Class "C" Member shall enjoy certain limited rights under this Declaration, the By-Laws, and the Regulations, including without limitation the right to: (1) obtain access to, and electronic and/or paper copies of, Association's books and records, including financial and membership data; (2) exercise the Developer's enforcement powers pursuant to Section 11.6 of this Declaration, and (3) call Special Meetings of the Association on any

topic or issue it sees fit in its sole discretion, although the Class "C" Member would not be entitled to vote at said meeting. Class "C" Membership shall continue after the termination of the Class "B" Membership and shall only terminate at the voluntary discretion of the Developer, although there is no requirement that it be terminated.

Section 3.3 DEVELOPER LOANS. If the Developer requests reimbursement for all or any portion of the cost incurred by Developer to acquire, construct and equip the Developer Improvements in the Property, Area of Common Responsibility, or any areas under a Cost Sharing Agreement pursuant to this Declaration, the Association may execute a promissory note in favor of the Developer in the amount of the reimbursement obligation (an "Association Note"). The Association Note shall be due and payable on terms acceptable to the Developer in its sole discretion. Any Association Note shall be secured by such mortgages, assignments, pledges and hypothecations of all or a portion of the real and personal property of the Association as Developer may request including, without limitation, Common Area, Assessments, rents, profits and accounts. Notwithstanding anything to the contrary set forth herein, Assessments for Working Capital Fund shall not be used or pledged to repayment of amounts due under any Association Note.

## ARTICLE IV
## PROPERTY RIGHTS IN THE COMMON AREA, AREA OF COMMON RESPONSIBILITY AND AREA INCLUDED IN A COST SHARING AGREEMENT

Section 4.1 OWNERSHIP OF COMMON AREA. The Common Area is either owned by the Association or the Developer or both and, as such, is not and will not be owned by the Members of the Association in general or by any individual Member or group of Members. Consistent with its ownership, the use and enjoyment of any portion of Common Area is controlled by either the Developer or by the Board of Directors of the Association, When Empowered. Therefore, no Common Area or any Improvement thereon may be used, modified, change or altered in any way, without the express written authorization of the Developer, the Board of Directors of the Association or both, as applicable.

Section 4.2 ADDITIONAL RIGHTS AND EASEMENTS IN THE COMMON AREA. In addition to and without limitation of any other rights and easements granted to or reserved by the Developer or the Association in this Declaration, the following rights and easements are hereby granted to and reserved by the Developer, the Association and/or certain other third parties, as applicable:

(a) (i) The right of the Developer and of the Association, When Empowered, to dedicate, transfer, or convey, without the approval of the Members, all or any part of the Common Area, with or without consideration, to any governmental body, district, agency, or authority, or to any utility company, (ii) the right of the Developer, with or without consideration, to convey all or any part of the Common Area to any third party or to adjust the property lines to cause any part or all of the Common Area and the to become a part of an adjoining Lot or Lots, to increase or decrease the size of the Common Area, to add or remove Common Area, to and from the Property, to annex additional property to the Property and designate all or any portion of such additional property as Common Area, to change the location of the Common Area, without the

approval of the Members, and (iii) the right of the Association, When Empowered, to convey, with consideration, all or any part of the Common Area to a third party, to adjust the property lines to cause any part or all of the Common Area to become a part of an adjoining Lot or Lots, to increase or decrease the size of the Common Area, to add or remove Common Area, to and from the Property, to annex additional property to the Property, and designate all or any portion of such additional property as Common Area, and to change the location of the Common Area, upon the affirmative vote of at least a majority of the total votes of the Members cast at a duly called meeting of the Members or pursuant to a recorded resolution, consent or ballot signed by Members holding at least a majority of the total votes of the Members, including the Class "B" votes. In connection with any dedication, transfer or conveyance of the Common Area, as set forth above, the Developer and the Association, When Empowered, reserve the right to terminate any easement previously granted to the Members in such portion of the Common Area so dedicated, transferred or conveyed.

(b) The right of the Developer at any time and of the Association, When Empowered, to grant and reserve easements and rights of way through, under, over, and across Common Area, for the installation, maintenance, and inspection of roads, lines and appurtenances for public and private water, sewer, drainage, and other utility services, including electricity, phones, gas, a cable 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 Area, for the operation and maintenance of the Common Area.

(c) The right of the Developer and of the Association, When Empowered, to grant conservation easements through, under, over, and across any portion of the Common Area. The Association shall grant such conservation easements over Common Area as directed by the Developer, regardless of whether or not the Developer still owns any portion of the Property. The Developer hereby reserves the right to enter any portion of the Common Area and perform modifications to it based on conservation or preservation of environmentally sensitive areas, regardless of whether or not the Developer still owns any portion of the Property.

(d) The right of Permittees to ingress and egress in and over those portions of Common Area that lie within any private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Area in the case of landlocked adjacent Owners) to the nearest public roadway.

(e) The right of the Board of Directors, When Empowered, in accordance with applicable law, its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Area or reimbursing the Developer for Developer Improvements, and, in pursuance thereof, to mortgage or encumber the Common Area.

(f) The right of the Developer, and of the Board of Directors, When Empowered, to restrict Common Area located within a Specific Purpose Area for the exclusive use and enjoyment of only those Owners who own Lots in the Specific Purpose Area.

(g) The right of parties to any Cost Sharing Agreement to access and use the Common Area as set forth in such Cost Sharing Agreement.

(h) The right of the Developer and of the Board of Directors, When Empowered, in its sole discretion, to grant specific easements for the use of Common Area or to allow for specific or general uses or limitation of use of portions of Common Area. The creation of a specific or general easement for the use of a Common Area, the authorization for all or a specific portion of the Common Area shall in no way affect the use of additional portions of the Common Area nor shall it obligate the Developer or the Board of Directors to make similar allowances for or create similar limitations to or easements on any other Common Area or a portion thereof.

(i) The right of the Developer and the Board of Directors, When Empowered, to cause some portion(s) of the Common Area to be restricted to the use of only those Members who either: a) reach agreement with the Association for the use of such area, where the Developer or the Board determines that the area or areas cannot reasonably serve all Owners; b) purchase the exclusive use rights for, but not fee simple title to, that portion of the Common Area; and/or c) pay additional Assessments levied by the Association or fees established by the Developer or the Board, When Empowered, for the use of all or a portion of the Common Area to be used by the Association to offset all or a portion of the Association's estimated cost of the maintenance, repair and replacement of that Common Area or Common Areas.

(j) The Developer or Board of Directors, When Empowered, shall have the right to join in any of the above action with the Owner of the Area of Common Responsibility or the Owner of an area under a Cost Sharing Agreement, without the Consent of the Lot Owners, their tenants or mortgagees, to perform any of the foregoing actions.

Section 4.3 MEMBER'S EASEMENTS OF ENJOYMENT. Subject to the rights and easements reserved by or granted to the Developer, the Association or other third parties as set forth in this Declaration, including, without limitation, those rights and easements set forth in Article II of this Declaration, Section 4.2 of this Declaration, Article V of this Declaration, and the right of the Association to suspend the use of the Common Area as set out in Article XI of this Declaration, and subject to the Regulations established and amended from time to time, every Member shall have a right and easement of enjoyment in and to the Common Area, and an easement for pedestrian and vehicular ingress egress and access to and from the Lots over the streets to the public highway. Such easements shall be appurtenant to and shall pass with the title to every Lot.

Section 4.4 DELEGATION OF RIGHTS OF ENJOYMENT. Any Owner may delegate, in accordance with the By-Laws of the Association, his right of enjoyment to the Common Area, Area of Common Responsibility, or area under a Cost Sharing Agreement and facilities to his Permittees, subject to the limitations set forth above and the Regulations established and amended from time to time. Any Owner shall at all times be responsible for and liable for the actions of that Owner's Permittees and their pets, and animals, or anyone else on the Common Area, Area of Common Responsibility, or area under a Cost Sharing Agreement

with the permission of said Owner or otherwise on the Common Area, Area of Common Responsibility, or area under a Cost Sharing Agreement due to the actions or lack of action taken by said Owner, and shall further be responsible for payment of any Assessments for Non-Compliance levied for their non-compliance with this Declaration, the By-Laws of the Association or the Regulations established and amended from time to time, which Assessment shall become a continuing lien on the Lot of such Owner.

Section 4.5 ADDITIONAL IMPROVEMENTS.

(a) Neither the Association nor any Owner shall, without the prior written approval of the Developer, until the termination of the Developer's Class "B" Membership, and thereafter, without the prior written approval of the Board of Directors, construct or modify any Improvement in the Common Area. The Developer reserves the right to construct or modify any additional Improvements in the Common Area without submitting Plans to the Architectural Control Authority and without the approval of the Association, the Members or the Architectural Control Authority. The unauthorized use, alteration, modification or change of Common Area or any portion thereof by an Owner, their Permittees or the pets of either is strictly prohibited. The unauthorized use alteration, modification or change of a Common Area by an Owner, their Permittees or the pets of either shall be deemed a violation of this Declaration. As with other violations of the Declaration, and Owner shall be responsible for the actions or for the failure to act of their Permittees or such pets. Upon written notice from the Developer or the Association, an Owner shall immediately cease any unauthorized use, alteration, modification or change of a Common Area, shall cause its Permittees or pet(s) to cease any unauthorized use, alteration, modification or change of a Common Area and shall bring any portion of the Common Area so modified, altered, changed or improperly used by that Owner, their Permittees or pets to a condition: (i) that is comparable to its condition prior to such unauthorized use, alteration modification, or change; (ii) that is satisfactory to the Developer or the Association, where the resulting condition is less than or different from the original condition of that Common Area prior to its use or modification and/or (iii) that is compliant with the provisions of any statute or requirement issued by any governmental authority having jurisdiction over such matters.

(b) The Developer or the Association shall at all times have at their disposal: (i) all legal remedies under the Law and (ii) all remedies set out in the Declaration to cause the non-compliant Owner, its Permittees or the pets of either to cease any activity that is unauthorized or that, at the sole determination of the Developer or the Board of Directors, When Empowered, falls outside of the limitations set out for the use or modification of a specific Common Area. These remedies shall also be available to cause a non-compliant Owner to bring that improperly used, altered, modified or changed Common Area back to a condition that, in the sole opinion of the Developer or the Board of Directors, When Empowered, complies with the paragraph above. Any cost incurred by the Developer or the Association to remedy a violation of this Declaration or to restore any portion of the Common Area to a condition compliant with the above standards, including collection cost and attorney fees, shall immediately become the cost of the lot Owner or Owners responsible for the violation and a part of the Association's lien on their lot(s) for Assessment for Non-Compliance.

Section 4.6 LIMITATION OF LIABILITY WITH RESPECT TO CONSTRUCTION OF IMPROVEMENTS IN COMMON AREA, AREA OF COMMON RESPONSIBILITY, OR ANY AREA INCLUDED IN ANY COST SHARING AGREEMENT. All Owners, by accepting a deed to a Lot, acknowledge and agree that Developer shall have no liability to the Association or any Owner for any defects in design, construction or materials with respect to any improvements constructed on any Common Area, Area of Common Responsibility, or any area included in any Cost Sharing Agreement.

Section 4.7 AREA OF COMMON RESPONSIBILITY AND AREAS INCLUDED IN COST SHARING AGREEMENTS. The Members shall have no easements or rights to use the Area of Common Responsibility or areas included in a Cost Sharing Agreement, except as set out in the Cost Sharing Agreement or any other agreement between the Association and any third party property owner. The Developer reserves in the Area of Common Responsibility and in the area included in Cost Sharing Agreements all rights reserved in the Declaration to the Developer in the Common Area. The only right of a Member to use an Area of Common Responsibility or area included in a Cost Sharing Agreement shall be the right granted in the Cost Sharing Agreement and the Regulations issued by the Developer or the Board of Directors, When Empowered. Such rights shall also be subject to any rules of a third party or the Developer pursuant to any Cost Sharing Agreement. Any rights of the Member to use the area included in the Cost Sharing Agreement or Area of Common Responsibility shall arise out of the Membership in the Association and any rights of the Member to use such area, shall be controlled by the Developer or the Board of Directors, When Empowered. Such rights may be suspended or terminated by the Developer or the Board of Directors, When Empowered, at their sole discretion, at any time, with or without cause. The Developer or the Board of Directors When Empowered, shall have the all of the remedies for violation of the rules of third parties or of the Developer, as set out in the Declaration for violations of its provisions or the Regulations or at law or in equity, including, but not limited to, the right to collect from the violating member attorney fees and cost incurred as a result of the violation of such rules.

## ARTICLE V
## CERTAIN RIGHTS RESERVED BY DEVELOPER

Section 5.1 GENERAL. In addition to any other rights granted or reserved by Developer in this Declaration, this Article V sets forth certain rights granted or reserved by the Developer. To the extent any other provision of this Declaration conflicts or is inconsistent with a provision of this Article V, the provision of this Article V shall control to the extent of the conflict or inconsistency.

Section 5.2 TITLE TO AND ALTERATION OF COMMON AREA.

(a) The Developer may, but shall not be required to, convey or transfer to the Association title to the Common Area, as adjusted by the Developer or the Board of Directors, When Empowered, under the authority granted to the Developer herein.

(b) If Developer conveys title to the Common Area to the Association, such conveyance shall be of fee simple title by limited warranty deed, free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration, or

securing obligations of the Association to the Developer, and further except for easements and restrictions existing of record prior to the purchase of the Property by the Developer; provided, however that Developer may retain a right of reverter in the Common Area to the extent set forth in the Common Area deed or deeds.

(c) The Developer, in its sole discretion, shall have the right to alter the Common Area, including, without limitation, or to adjust the property lines to cause any part or all of the Common Area to become a part of an adjoining Lot or Lots, to increase or decrease the size of the Common Area, to add or remove Common Area to or from the Property, to annex additional property to the Property and designate all or any portion thereof such additional property as Common Area, to change the location of the Common Area, and to grant conservation easements through, under, over, and across any portion of the Common Area whether by filing Common Area deeds, easements, additional Common Area deeds or otherwise. The Association and all Owners, by virtue of their acceptance of the deed to their Lot, hereby consent to acceptance of any and all Common Area deeds or conservation easements executed by Developer without the need for Developer to obtain any additional consents or provide any additional notice. Further, at the Developer's request, the Association shall execute and deliver all necessary documents to effectuate proper execution and recording of said Common Area deeds, conservation easements, reversions and other rights reserved in this Declaration or the Common Area deed or deeds and the Association and Lot Owners, by acceptance of the deed to the Common Area, grant to the Developer an irrevocable power of attorney to execute such easements and deeds on behalf of the Association.

(d) At any time after termination of Developer's Class "B" Membership, the Developer may, in its sole discretion, exercise any right of reverter retained by Developer in the deed or deeds to the Common Area conveying such Common Area to the Association. In the event Developer exercises any such right of reverter as set forth in the Common Area deed or deeds, the Developer shall, thereafter, have all rights in and pertaining to such Common Area granted or reserved to Developer in this Declaration, including, without limitation, the right to alter the Common Area and to grant easements through, under, over and across the Common Area.

(e) An easement in gross of a commercial nature is reserved to the Developer for the purpose of constructing, equipping and reconstructing the Common Area. The Association shall not convey or grant an easement through, under, over or across or all or any portion of the Common Area to any third party without obtaining the prior written consent of the Developer, which consent may be granted or withheld in Developer's sole discretion.

Section 5.3 REIMBURSEMENT FOR COST OF DEVELOPER IMPROVEMENTS. At the request of the Developer, the Association shall promptly reimburse the Developer for the cost incurred or to be incurred by Developer to acquire, construct and equip the Developer Improvements, or any Improvements within the Area of Common Responsibility or area included in any Cost Sharing Agreement or such portion thereof as determined by Developer in its sole discretion.

Section 5.4 ROADWAYS AND ACCESSWAYS. Developer reserves an easement and right to, without the consent of the Association or the Members, (a) establish roadways over the Common Area and such other portions of the Property as Developer determines in its sole discretion are necessary or desirable, and (b) create accessways to additional parcels whether or not encumbered by this Declaration, and whether or not such Common Area or parcels are owned by the Developer; provided that no roadways or accessways created in reliance on this Section 5.4 shall encroach on existing buildings on the Common Area unless the Developer agrees to pay the cost of reconstruction or relocation of such building.DEVELOPER'S RIGHTS UPON REACQUISITION OF LOTS AND/OR ANNEXATION OF ADDITIONAL PROPERTY TO THE COMMUNITY. With the exception of the specific limitations for amendment of the Declaration by the Developer after the termination of the Developer's Class B Membership set out herein, at the sole option of the Developer, all or a portion of the rights, privileges and authority granted to the Developer as the Class B Member under this Declaration, the Architectural Guidelines, the Regulations and the By-Laws, prior to the termination of the Class "B" Membership, including, without limitation, the authority for architectural controls and the authority to grant variances for violations of the Declaration, the Architectural Guidelines and the Regulations, the option to pay Assessments or the Current Deficit of the Association as set out in Section 5.6, shall be restored to the Developer at any time the Developer either annexes additional property to the Community or re-acquires any Lot within the Community previously owned by the Developer. In accordance with the foregoing sentence, if the Developer exercises its option to recover any of these rights, options or authority, at the sole option of the Developer, the Association shall cease to have such rights or authority to the extent they conflict with the Developer's rights or authority, regardless of whether such rights or authority has been previously assigned or transferred by Developer to the Association. It is the intent of this provision that in the event that the Developer chooses to exercise such rights and or authority, that upon written notice to the Association, the Association shall no longer have such rights or authority. Subject to the above limitation, unless voluntarily relinquished by the Developer, all such rights and authority granted to the Developer as a Class "B" Member shall be fully restored, for so long as Developer owns any of the Property, including the annexed property or any reacquired Lot in the Community.

Section 5.6 DEVELOPER'S AUTHORITY WITH RESPECT TO MAINTENANCE RESPONSIBILITY OF THE ASSOCIATION AND COST SHARING AGREEMENTS. Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, and Developer no longer owns any of the Property, whichever occurs last, or at any time when the Developer has an ownership interest in a portion of the property that is annexed or that has been re-acquired by Developer after transfer of title from the Developer, without the consent of the Board of Directors or any Lot Owner, the Developer shall have the authority to determine: (a) what services shall or shall not be provided by the Association and the costs thereof; (b) what constitutes the Area of Common Responsibility; (c) whether or not the Association shall assume maintenance or replacement responsibility for any portion of the Property, Area of Common Responsibility, or areas included in a Cost Sharing Agreements and the specific level of such responsibility and the cost therefor; (d) whether or not the Association shall enter into or terminate one or more Cost Sharing Agreements, the terms of such agreements and the Association's responsibility under such agreements; (e) the Association's maintenance responsibility for improved and unimproved

Common Area, Area of Common Responsibility or areas included in Cost Sharing Agreements as well as any Improvements located thereon; and (f) the Association's maintenance responsibility for all or any portion of the storm drainage system for the Community, including but not limited to, storm drainage lines and ditches, retention, detention, water quality or recreational ponds. In addition, the Developer shall also have the sole authority during these periods (a) where not prohibited by applicable law, to execute on behalf of the Association (or to cause the Board of Directors to execute on behalf of the Association) temporary, long-term or permanent agreements with utility providers and other such parties that cause the Association and Lot Owners within the Property to be provided with the services of such providers and that cause the Association or the Owners of Lots to assume partial or total responsibility for the cost of providing such services (including, but not limited to utilities, street lighting, water and sewer, etc.) or to pay fees required set out in such agreements to assure that these services are made available to the Association or to the Owners of Lots within the community and (b) to determine whether a pond or any other portion of the Common Area (including easements) , any portion of the Area of Common Responsibility or areas included in Cost Sharing Agreements shall be maintained by the Association, by a Lot Owner or by an entity (such as an appropriate governing body that agrees to assume such responsibility) without the consent of the Board or any Owner of any Lot, regardless of whether such responsibility is otherwise noted on an approved or recorded plat for the Community, (c) to execute Cost Sharing Agreements on behalf of the Association.PAYMENT OF ASSESSMENTS OR CURRENT DEFICIT BY DEVELOPER.

(a) Unless (i) all of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, and (ii) Developer no longer owns any of the Property, the Developer may, at any time and at its sole election, pay the Current Deficit instead of paying the Assessments for the Lots it owns, so long as the obligations of the Association within the approved budget are properly met. Should the Developer annex additional property into the Community or reacquire a Lot previously owned by the Developer, and exercise its option to pay the Current Deficit, the amount due from the Developer shall be limited to only those costs and reserves that relate to any parcel annexed by the Developer or to any Lot or group of Lots annexed or reacquired by the Developer and then with respect to Lots, only for the period that the Lot or Lots are owned by the Developer during any budget year. In addition, in lieu of making any payments of the Current Deficit budgeted to be paid to third parties for services provided to the Association, the Developer may provide such services itself at no additional cost to the Association and thereby reduce or eliminate its Current Deficit obligation.

(b) Any expenses of the Association paid by and any advances paid to the Association by the Developer which exceed the lesser of (i) the amount due from the Developer for Assessments for Lots owned by the Developer, and (ii) the Current Deficit for the period of time in which Developer has elected to pay the Current Deficit, shall be considered a loan to the Association, repayable under terms established by the Developer, and which are reasonably acceptable to the Board of Directors. The Developer will not be obligated to pay any Assessments or the Current Deficit during the time it is a Class "C" Member.

(c) Any Assessments against Lots owned by the Developer (including those Lots added to the Community after the date of the Assessment) shall not be due until the end of the period for which the Assessment is established or such later time as may be determined appropriate by the Board of Directors. If the Developer has elected to pay the Current Deficit, then the Developer shall pay such amounts to the Association within thirty (30) days after the end of the budget year or at such later time as may be determined by the Board of Directors. Such determination to extend the period for payment by the Developer may only be made by the Board of Directors, if the Board of Directors determines that such Assessments or Current Deficit payments are not necessary for the proper operation of the Association during the budget year for which they are due, such payment shall not become due until they become necessary to cover the Current Deficit or the end of the last year that the Developer has the option to pay the Current Deficit, whichever occurs first. If the Developer fails to pay the Current Deficit, if and when due, then the Assessments for Lots owned by the Developer shall be due within thirty (30) days after the Association notifies the Developer of its failure to pay such Assessments or the Current Deficit.

Section 5.8 RIGHT OF DEVELOPER TO DIRECT THE BOARD TO APPLY WORKING CAPITAL TO THE OPERATING EXPENSE AND RESERVES OF THE ASSOCIATION. Unless (a) all of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, and (b) Developer no longer owns any of the Property, the Developer may direct the Board and the Board shall, upon such direction, apply some or all of any funds collected as Assessments for Working Capital to the payment of the Operating Expenses and Reserves of the Association and the obligations of the Association under any Cost Sharing Agreement and thereby reduce or eliminate the amount of any Current Deficit that would otherwise result.

Section 5.9 RIGHT OF DEVELOPER TO WAIVE ASSESSMENTS. Unless (a) all of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, and (b) Developer no longer owns any of the Property, the Developer in its sole discretion may elect to waive, forgive or otherwise eliminate that Owners obligation to pay Assessments or delay imposition of any type of Assessment on the new Owner, in part or in full; provided that Developer either (1) pays the applicable Assessments attributable to the Lot during this time, or (2) pays the Current Deficit, including the portion of the Current Deficit that is a result of any waiver of the Assessments by Developer. Such waiver of Assessments shall terminate at any time that the Developer fails to comply with the conditions set out in this paragraph and upon such a failure by the Developer to comply with the conditions set out in this paragraph, the Association may at that time provide thirty (30) day notice to and collect the Assessments from the Owner of the Lot or Lots for which the waiver was granted and the Assessments shall constitute a lien on the Lot or Lots from that date forward.

Section 5.10 RIGHTS SOLELY OF DEVELOPER. The rights reserved by this Article V are reserved solely to the Developer and shall not pass to the Association unless and until the Developer specifically assigns such right(s) to the Association by a recorded instrument. The rights reserved to Developer in this Article V constitute a material part of the consideration

for the Developer to encumber the Property with this Declaration and grant to the Association and the Owners the right to use the Common Area.

Section 5.11 SEVERABILITY OF ARTICLE V. Without limiting the general applicability or effectiveness of Section 13.4, if any provision of this Article V shall be declared for any reason by a court of competent jurisdiction to be null and void, such judgment or decree shall not in any manner whatsoever effect, modify, change, aberrant, or nullify any of the provisions of this Declaration not so declared to be void but all remaining provisions of this Declaration not so expressly held to be void shall continue unimpaired and in full force and effect.

## ARTICLE VI
## COMPLETION, MAINTENANCE, AND OPERATION OF COMMON AREA AND FACILITIES

Section 6.1 COMPLETION OF COMMON AREA BY THE DEVELOPER. The Developer will complete the construction of the Common Area, as adjusted from time to time, and the streets and roadways for the Community as shown on the Plats recorded with respect to the Community.

Section 6.2 MAINTENANCE AND OPERATION OF COMMON AREA.

(a) The Association at its sole cost and expense (subject to payment of Assessments by Owners as set forth herein), shall operate, maintain, repair and replace the Common Area and Area of Common Responsibility and provide the requisite services in connection therewith; provided, however, the Association is under no obligation to operate, maintain, repair or replace those portions of the of Community that are not Common Area or Area of Common Responsibility and the Association, at its sole discretion, may require the owners of such Areas of Common Responsibility to provide their own maintenance rather than the Association. The maintenance, operation, repair and replacement of the areas which are not shown as "Common Area" on any recorded Plats of the Property or so designated as Common Area in any conveyance to the Association by the Developer, to include, but not be limited to, pavements, roadways, streets, walkways, outdoor lighting, buildings, if any, recreational equipment, if any, fences, storm drains, and sewer and water lines, connections, and appurtenances, and all areas accepted by responsible parties, including the Developer, public bodies, governmental bodies, districts, agencies or authorities, shall not be the responsibility of the Association, unless such areas have been established as Areas of Common Responsibility. This Section shall not be amended to eliminate or substantially impair the obligation of the Association for the maintenance and repair of the Common Area.

(b) If the Association fails to operate, maintain or repair the Common Area to the satisfaction of the Developer or fails to employ contractors which the Developer, in its sole discretion, determines to be able to properly operate or maintain the Common Area, the Developer may, but is not required to, notify the Association to correct the maintenance problem or remove the contractor. If the Association fails to do so within

the time set forth in the notice, the Developer may, but is not required to, correct said maintenance problem or remove and replace such contractor. The Association shall reimburse the Developer for any and all costs incurred by the Developer and the cost including collection costs incurred by the Developer shall be a lien on the Common Area. This Section shall not be amended or removed without the written consent of the Developer.

(c) Any entry by the Developer under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer for the purpose of entry onto the Common Area for the purpose of enforcing this Section. This provision shall not be construed as an obligation on the part of the Developer to provide any services. As provided herein, these rights may be assigned by the Developer. The Association shall hold harmless the Developer, its agents, officers, directors, and employees from any liability arising out of correcting the Association's breach of this Section.

Section 6.3 WALKING TRAIL MAINTENANCE. The Developer has the right, but not the obligation, to install walking trails within the Community. In the event walking trails are installed within the Community, the Association shall enjoy the right, but not the obligation, to provide for the maintenance of such walking trails as part of the Association's responsibility for maintenance, in such manner as the Board of Directors, When Empowered, may determine in their sole and absolute option and discretion. The Developer and the Board of Directors, When Empowered, may establish policies setting out how and when these services may be provided. Notwithstanding the foregoing, though the Developer or the Association, When Empowered, may determine whether these services will be provided and the cost and level of such services to be provided, the Developer and the Association shall not in any way be obligated to provide such walking trail maintenance. In the event that a walking trail is installed pursuant to an agreement with or as required by the governmental authority having jurisdiction over the Property, the Developer or Board of Directors, When Empowered, shall have the right, if not contrary to any requirement of the local government authority, to remove the walking trails from the Association's maintenance responsibility. Notwithstanding the foregoing, the Association may elect to reinstate the Association's maintenance responsibility for the walking trails should the Board of Directors determine to reinstate such maintenance or should more than fifty (50%) percent of all of the votes of the Class "A" and Class "B" Members be cast in favor of reinstating the Association's responsibility for maintaining walking trails, such votes being cast in person or by proxy at a meeting duly called for this purpose vote. In all cases, the Developer or Board of Directors, When Empowered, shall have the authority to determine the level of maintenance required for any walking trails in the Community.

Section 6.4 DEDICATION OF STREETS AND ROADWAYS. If and when any streets or roadways located within the Community are dedicated to, or otherwise accepted by, responsible parties including without limitation public bodies, governmental bodies, districts, agencies or authorities, the dedication or acceptance shall be subject to the covenants, conditions, restrictions, easements, charges and liens contained in this Declaration, as amended, whether or not it shall be so expressed in any such deed, other conveyance, or plat. The public shall have the right to access or use those streets and roadways located within the Community which are dedicated to, or otherwise accepted by public bodies, governmental bodies, district agencies or

authorities, and those sidewalks located within a public road right-of-way to the extent that such access is required by the entity to which the areas are dedicated. The Owner of a Lot may be required to provide some level of maintenance to Improvements within these areas, where such areas are deemed to be a portion of the Area of Extended Lot Owner Responsibility.

Section 6.5 TRANSFER OF MAINTENANCE. In addition to any other obligations of the Board of Directors of the Association hereunder, upon receipt of a written request from the Developer, the Board of Directors shall immediately execute any and all documents required by the Developer or the appropriate governing authority or authorities having jurisdiction over such matters or such Improvements to transfer to the Association (and for the Association to accept the responsibility for) the maintenance of any recreational Ponds or for part or all portions of the storm drainage system, which may include, but not be limited to, retention, detention and water quality Ponds, dams, drainage pipes and other like Improvements, whether located on the Property, Common Area, Area of Responsibility or areas included in Cost Sharing Agreements. Such maintenance may include, but not be limited to, the responsibility for water quality, vegetation control and for the structural integrity of the drainage system, banks, dams and any inlet or out-fall systems for ponds. The acceptance of such responsibility shall be the obligation and not the option of the Association. The Board of Directors shall pass such resolutions as are necessary to authorize the appropriate officer to execute such documents and the appropriate officer of the Association shall execute all such documents as may be required by the Developer or by the appropriate governing authority or authorities having jurisdiction over such matters or such Improvements. In the event that the Board of Directors of the Association refuses to execute or fails to execute such documents and to return the same to Developer within ten (10) days of the date that the Developer mailed or delivered said documents to a member of the Board or to the Association's manager (or such longer period as may be provided by Developer in the notice to the Association), in addition to any other rights reserved to the Developer in the Declaration, Developer shall have the authority to execute the documents on behalf of the Association and such execution by the Developer shall have the same effect and shall bind the Association in the same manner as execution of the Documents by the members of the Member-elected Board of Directors or such other officer of the Association authorized to execute such documents.

## ARTICLE VII
## ASSESSMENTS

Section 7.1 ASSESSMENTS.

(a) Each and every Owner of any Lot or Lots within the Property, by acceptance of a deed to a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be personally obligated to pay to the Association the Assessments and the Association's costs of collection, including, without limitation, any collection fees, attorneys' fees, late fees, administrative fees and charges, and court costs incurred in collecting the Assessments, or in enforcing or attempting to enforce the Declaration, By-Laws, Architectural Guidelines and Regulations (collectively, "Costs of Collection").

(b) Assessments, together with interest thereon, and other Costs of Collection shall be a charge on the land and shall be a continuing lien upon the Lot or Lots against which such Assessments are levied. Owners of any Lot shall share in the obligation of any other Owner of that Lot and shall be jointly and severally liable for any Assessments and the Costs of Collection that are attributable to that Lot. In the event an Owner holds title to multiple Lots in the Community, including without limitation, builders, the Association's continuing lien shall be treated as one all-encompassing lien over all the Lots of that Owner for purposes of the remedies set forth in Article XI of this Declaration.

(c) The Association shall, upon demand at any time, furnish to any Owner or attorney representing the prospective purchaser of a Lot, a certificate in writing signed by an officer of the Association, setting forth whether said Assessments have been paid. Such certificate shall be conclusive evidence of payment of any Assessments therein stated to have been paid. At all times the Association's records with respect to payments made or due shall be deemed correct unless proper documentation to the contrary can be produced.

(d) This Article shall not be amended to eliminate or substantially impair the obligation to fix the Assessments at an amount sufficient to properly operate the Association, maintain and operate the Common Area and perform the maintenance required to be performed by the Association under this Declaration without the written consent of the Developer.

(e) There shall be seven types of Assessments: (1) Regular Assessments as described in Section 7.2 below; (2) Assessments for Non-Compliance with this Declaration, the By-Laws of the Association, and the Regulations established and amended from time to time as described in Section 7.3 below; (3) Assessments for Capital Improvements as described in Section 7.4 below; (4) Assessments for Working Capital Fund as described in Section 7.5 below; (5) Assessments for Budgetary Shortfall as described in Section 7.6 below; (6) Specific Purpose Assessments, if and when Specific Purpose Areas are designated, as described in Section 7.7 below; and (7) Special Services Assessments, as described in Section 7.8 below. Such Assessments to be fixed, established, and collected from time to time as herein after provided.

Section 7.2 REGULAR ASSESSMENTS.

(a) The Regular Assessments levied by the Association shall be used exclusively for the purposes of (1) the general operation of the Association, reserves and the promotion of the health, safety, and welfare of the residents of the Community, and in particular for the improvement and maintenance of the Common Area and Areas of Common Responsibility and areas under any Cost Sharing Agreement, the Settlement Agreement and Other Agreements as set out in Article XIV, including but not limited to, the payment of any notes, mortgages, taxes and insurance thereon, including any Association Note, and repair, replacement, and additions thereof, the cost of labor, equipment, materials, management, Treasurer fees, and supervision thereof, and the cost of lawn and landscaping maintenance, and refuse collection; reserves for the replacement

of the Association property and Improvements to the Common Area; Common Area of Responsibility or areas included in Cost Sharing Agreements including the obligations under the Settlement Agreement and Other Agreements.as set out in Article XIV. (2) paying all other obligations or debts incurred by the Association, including, but not limited to, obligations under any Cost Sharing Agreement, including also the Settlements Agreement and Other Agreements as set out in Article XIV; and (3) if the Board so determines, for making available or providing Special Services to all of the Lots.

(b) The Developer or the Board of Directors, When Empowered, shall at all times fix the Regular Assessment based on the Association's budget for the period of the Regular Assessment and shall include budgets for the obligations of the Association and assessments and reserves under the Settlement Agreement and Other Agreements as set out in Article XIV. The budget may be, but is not required to be, based on the number of Lots projected to be in the Community under the Master Plan (the "Build Out") and the cost projected to be incurred by the Association at Build Out. The amount of the Regular Assessment shall be uniform for each Lot except as set forth herein and shall be assessed against all Lots at the time of the Assessment. The Developer or Board of Directors, When Empowered, shall once each year create a budget and fix the date of commencement, the size and number of installments, the method of determining the amount of all Regular Assessments against each Owner of a Lot, and shall, at that time, prepare a roster of the Owners and the Assessments applicable thereto. The roster shall be kept in the office of the Association and shall be opened to inspection by any Owner. If the Developer or the Board of Directors, When Empowered, fails to set a Regular Assessment, then the previous Assessment or the previous installment schedule shall continue until the Regular Assessment is set. A copy of the budget or any amended budget and written notice of the Regular Assessment and adjustment thereof, shall be sent to every Owner subject thereto, identifying the amount(s), due date(s), and the address to which payments are to be sent, at least thirty (30) days in advance of the due date of the first (or only) installment of each Regular Assessment. When Developer has Class "B" Membership, the Developer shall have the option of approval of any portion of the budget. The amount to budget for any item shall be determined by the Developer and the Board of Directors, When Empowered, in its sole discretion.

(c) The Developer or the Board of Directors, When Empowered, shall have the right to adjust the amount and installment schedule of the Regular Assessment without Membership approval for the purpose of meeting the budgetary obligations of the Association and in times of an unexpected cash flow shortfall. In the event of an unbudgeted cash surplus, the Developer or the Board of Directors, When Empowered, shall have the authority to apply some or all of the surplus toward its capital improvement fund or capital reserve fund. The Developer or the Board of Directors, When Empowered, may, at its sole discretion, set estimated Regular Assessments until the Regular Assessment is set and the budget completed, or may delay the billing of Regular Assessments until the budget is complete and then bill the Owners for the Regular Assessment for the entire budget period.

(d) At the time of the closing of a Lot owned by the Developer, if the Regular Assessment for that period has been paid by the Developer, that portion of the Regular

Assessment that is attributable to the balance of the period shall be collected and paid to the Developer by the purchaser of the Lot. Any sums not reimbursed to the Developer, shall also be a lien on the Lot. All other Assessments, when levied, shall be the responsibility of the Owner of record on the date that the Assessment is authorized by the Developer or by the Board of Directors, When Empowered.

(e) An Owner shall be not be exempt from paying the Regular Assessments, Specific Purpose Assessments, Special Services Assessments, or other Assessments as defined in Section 7.1, and the amount of the Regular Assessments, Specific Purpose Assessments, Special Services Assessments or other Assessments shall not be reduced because any Owner refuses to accept, provides or arranges for others to provide all or some of the Special Services, other than as specifically provided in this Declaration.

Section 7.3 ASSESSMENTS FOR NON-COMPLIANCE. In the event that any Owner or their Permittees fail to comply with any of the provisions of the Declaration, the By-Laws of the Association, the Architectural Guidelines and Regulations established and amended by the Developer or the Board of Directors, When Empowered, or by any third party or the Developer under the authority granted or reserved in any Cost Sharing Agreement from time to time, relating to any portion of the Community, including without limitation (i) violations occurring on Lots, Areas of Extended Lot Owner Responsibility, Common Area, streets, (ii) violations occurring in the Area of Common Responsibility or areas under a Cost Sharing Agreement, (ii) failure to pay the sums due to utility providers for services pursuant to an agreements authorized by Section 5.5 of the Declaration, the Developer and the Board of Directors, When Empowered, and any third party or Developer in accordance with a Cost Sharing Agreement if so authorized therein, may issue Assessments against the responsible Lot Owner(s) in amounts as it determines in its sole discretion, which shall be an Assessment for Non-Compliance and which are a lien on the Lot or Lots of that Owner(s). The Developer shall retain the power to levy Assessments for Non-Compliance even after the Association becomes entitled to exercise such power, including after termination of the Developer's Class "B" Membership. Therefore, the rights of the Developer and of the Association under this Section are not mutually exclusive.

Section 7.4 ASSESSMENTS FOR CAPITAL REPAIR OR IMPROVEMENTS. In addition to the Regular Assessments, the Association may levy, in any period, an Assessment (which must be fixed at a uniform rate for all of the Lots subject to the Assessment, unless determined otherwise by the Developer or the Board of Directors, When Empowered) for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area, Area of Common Responsibility, or areas under a Cost Sharing Agreement, including the necessary fixtures, equipment and personal property relating thereto, or to provide for the payment of any Association Note; provided that (a) in the event that such Assessment is to be levied to provide for payment of any Association Note, such Assessment must be approved by the Board of Directors, and (b) otherwise, that such Assessment shall have the assent of at least a majority of the votes of the Members who are subject to the Assessment and voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members subject to the Assessment, not less than thirty (30) days and no more than sixty (60)

days in advance of the meeting; provided, further, the aforementioned periods for notice may be shorter as necessary to obtain funds for emergency repairs to the Improvements on the Common Area, Area of Common Responsibility, or areas under a Cost Sharing Agreement. Subject to the provisions of Section 7.2, the due date or due dates of any installment of any such Assessment shall be fixed in the resolution authorizing such Assessment.

Section 7.5 ASSESSMENTS FOR WORKING CAPITAL. At the time of acquiring title to a Lot from the Developer, at the sole option of Developer, or from a contractor who purchased the Lot from the Developer and completed or installed the Dwelling and Improvements on the Lot, and upon any subsequent transfer of title, at the option of the Developer or the Board of Directors, When Empowered, the Owner acquiring title to the Lot shall deposit with the Association a payment in a sum to be determined from to time by the Developer or Board of Directors, When Empowered, to be used for such purposes as permitted by this Declaration and applicable law (including, without limitation, the design, construction, replacement, maintenance and repair of Common Area, Area of Common Responsibility, or area under a Cost Sharing Agreement Improvements, and payment of other expenses or reserves of the Association). [Note: Assessments for Working Capital, should not be paid or pledged to a "third party" (as defined in the Code) in violation of S.C. Code Ann. § 27-1-70.] The definition of third party in the Code shall not limit the terms third party as used elsewhere in the Declaration or the Cost Sharing Agreements.

Section 7.6 ASSESSMENTS FOR BUDGETARY SHORTFALL. In addition to the Regular Assessment, the Developer or the Board of Directors, When Empowered, may, at its option, draw from the appropriate reserve funding or working capital funds or may levy, in any period, an Assessment (which must be fixed at a uniform rate for all Lots), applicable to that period only, to cover any unexpected shortfall in the cash flow of the Association. The Developer or the Board of Directors, When Empowered, may determine, in its sole discretion, whether or not the Association shall be required to replace such reserve funding or working capital funds used by the Association in the manner set forth in this Section.

Section 7.7 SPECIFIC PURPOSE ASSESSMENTS.

(a) In addition to the Regular Assessment charged each Owner of a Lot, should Special Services be provided by the Association for Owners of Lots in a Specific Purpose Area within the Community, Area of Common Responsibility, or area under a Cost Sharing Agreement, if and when designated, the Developer or the Board of Directors, When Empowered, shall have the authority to levy an Assessment applicable only to such Lots in the Specific Purpose Area being offered or provided such Special Services or use of the Area of Common Responsibility, or area under a Cost Sharing Agreement ("Specific Purpose Assessment"), based upon a budget approved by the Developer or the Board of Directors, When Empowered, to fund these Special Services and the Association's cost of implementing and administering these Special Services, as well as to fund reserves and contingencies needed to assure that these Special Services can be provided. Provided, however, until the termination of Developer's Class "B" Membership, the Developer shall have the authority to determine and to approve or disapprove any increase or decrease to the Special Services to be provided to any Specific Purpose Area and the appropriate increase or decrease to the Specific Purpose

Assessment for those services. Subject to the Developer's rights, the Board of Directors, When Empowered, may increase or decrease the Special Services to be provided to a Specific Purpose Area and increase or decrease the Specific Purpose Assessment for these Special Services, provided, however, the Members of the Specific Purpose Area may repeal such action of the Board of Directors by vote of at least a majority of the Members subjected to the Specific Purpose Assessment. Specific Purpose Assessments may also be levied for use of a portion of the Property, Area of Common Responsibility or area under a Cost Sharing Agreement.

(b) Only if and when a Specific Purpose Area is designated, the Developer or the Board of Directors, When Empowered, shall at all times fix the Specific Purpose Assessment based on the budget prepared by the Board of Directors or its designee in accordance with the By-Laws for the period of the Specific Purpose Assessment. The Board of Directors, When Empowered, may at its sole option, appoint or cause to be elected by the Members subject to the Specific Purpose Assessment, a Specific Purpose Committee created for the purpose of being its designee with respect to the creation of a Specific Purpose Area budget and for other purposes that the Board of Directors may determine, including the management and administration of the Special Services to be provided for the Members subject to the Specific Purpose Assessment. Should a Specific Purpose Committee, after being directed to manage and administer these Special Services by the Board of Directors, refuse to accept any portion of the responsibility required of them by the Board of Directors or fail to perform the duties set out by the Board of Directors, the Board of Directors shall at its option, continue or discontinue these Special Services, and adjust the Specific Purpose Assessment as the Board of Directors deems appropriate. The amount of the Specific Purpose Assessment that is approved by the Board of Directors shall be uniform for each Lot in the Specific Purpose Area, except as set forth herein, and shall be assessed against all Lots in the Specific Purpose Area at the time of Assessment; provided, however, that the Developer or the Board of Directors, When Empowered, may in their sole discretion vary the amount and terms of the Specific Purpose Assessment among Lots within a Specific Purpose Area. The Board of Directors or its designee shall, once each year create a budget, fix the date of commencement, the size and number of installments, the method of determining the amount of all Specific Purpose Assessments against each Owner of a Lot, and shall, at that time, prepare a roster of the Owners and the Specific Purpose Assessments applicable thereto, all of which shall be submitted to the Board of Directors for approval. The roster shall be kept in the office of the Association and shall be opened to inspection by any Owner. A copy of the budget, or any amended budget and written notice of the Specific Purpose Assessment and adjustment thereof, shall be sent to every Owner subject thereto, identifying the amount(s), due date(s), and the address to which payments are to be sent, at least thirty (30) days in advance of the due date of the first (or only) installment of each Specific Purpose Assessment. Until the termination of Developer's Class "B" Membership, the Developer shall have the option of approval of any portion of a budget or the amount of a Specific Purpose Assessment.

(c) Only if and when a Specific Purpose Area is designated, the Developer or the Board of Directors, When Empowered, shall have the right to adjust the amount and installment schedule of the Specific Purpose Assessment without Membership approval

for the purpose of meeting the budgetary obligations of the Specific Purpose Area and in times of an unexpected cash flow shortfall. The Developer or the Board of Directors, When Empowered, may, at its sole discretion, set estimated Specific Purpose Assessments until the Specific Purpose Assessment is set and the budget completed, or may delay the billing of Specific Purpose Assessments until the budget is complete and then bill the Owners for the Specific Purpose Assessment for the entire budget period. Despite the payment of such Specific Purpose Assessment, the Developer or Board When Empowered, may terminate change, suspend, increase, or decrease, in the sole discretion of the Developer or the Board, When Empowered and without the consent of the Owner or their mortgagees, any Special Services made available to a Lot Owner by the Association, at any time, including, but not limited to, upon the failure of an Owner to remain compliant with the provisions of the Declaration, the Bylaws, the Regulations or the Architectural Guidelines.

(d) At the time of the closing of a Lot owned by the Developer, if the Specific Purpose Assessment for that period has been paid by the Developer, that portion of the Specific Purpose Assessment that is attributable to the balance of the period shall be collected and paid to the Developer by the purchaser of the Lot. Any sums not reimbursed to the Developer shall also be a lien on the Lot. All other Assessments, when levied, shall be the responsibility of the Owner of record on the date that the Assessment is authorized by the Developer or by the Board of Directors, When Empowered.

(e) If a Neighborhood and a Specific Purpose Area have been designated for the exact same portion of the Community, the Specific Purpose Assessment may be referred to as a "Neighborhood Assessment."

Section 7.8 SPECIAL SERVICES ASSESSMENTS.

(a) A Special Services Assessment may be levied against all Lots in the Community or against some, but not all, Lots in the Community which may or may not be in a Specific Purpose Area. Special Services Assessments may also be levied to fulfill the obligations of the Association for ab Area of Common Responsibility or any or any obligations under a Cost Sharing Agreement or where use rights are provided to one or more Members to a portion of the Property, Area of Common Responsibility or area under a Cost Sharing Agreement. In addition to the Regular Assessment charged each Owner of a Lot, should Special Services or use rights be provided by the Association or Developer for Owners of Lots within the Community, the Developer or the Board of Directors, When Empowered, shall have the authority to levy an Assessment applicable only to such Lots offered or being provided such Special Services or use rights ("Special Services Assessment"), based upon a budget approved by the Developer or the Board of Directors, When Empowered, to fund these Special Services and the Association's or Developer's cost of implementing and administering Special Services, as well as to fund reserves and contingencies needed to assure that these Special Services can be provided and for maintenance, repair or replacement of any designated area. Provided, however, until the termination of Developer's Class "B" Membership, the Developer shall have the authority to determine and to approve or disapprove the Special Services to be provided

and the appropriate Special Services Assessment to provide for such Special Services to Lots in the Community. After the termination of the Developer's Class "B" Membership or at an earlier date determined solely by the Developer, such authority shall be transferred to the Board of Directors.

(b) The amount of the Special Services Assessment that is approved for each Lot or type of Lot by the Developer or the Board of Directors, When Empowered, may vary based upon the Developer's or the Board's determination of the benefit(s) made available to, provided to or received by a Lot. The Board of Directors or its designee shall, in accordance with the By-Laws, once each year create a budget, fix the date of commencement, the size and number of installments, the method of determining the amount of all Special Services Assessments against each Owner of a Lot, and shall, at that time, prepare a roster of the Owners and the Special Services Assessments applicable thereto. The roster shall be kept in the office of the Association and shall be opened to inspection by any Owner. A copy of the budget, or any amended budget and written notice of the Special Services Assessment and adjustment thereof, shall be sent to every Owner subject thereto, identifying the amount(s), due date(s), and the address to which payments are to be sent, at least thirty (30) days in advance of the due date of the first (or only) installment of each Special Services Assessment. Until the termination of Developer's Class "B" Membership, the Developer shall have the option of approval of any portion of a budget or the amount of a Special Services Assessment.

(c) If and when a Special Services Assessment is levied, the Developer or the Board of Directors, When Empowered, shall have the right to adjust the amount and installment schedule of the Special Services Assessment without Membership approval for the purpose of meeting the budgetary obligations required in providing Special Services and in times of an unexpected cash flow shortfall. The Developer or the Board of Directors, When Empowered, may, at its sole discretion, set estimated Special Services Assessments until the Special Services Assessment is set and the budget completed, or may delay the billing of Special Services Assessments until the budget is complete and then bill the Owners for the entire budget period. Despite the payment of such Special Services Assessment, the Board may limit or terminate any Special Services made available to a Lot Owner by the Association upon the failure of an Owner to remain compliant with the provisions of the Declaration, the Bylaws, the Regulations or the Architectural Guidelines.

(d) At the time of the closing of a Lot owned by the Developer, if the Special Services Assessment for that period has been paid by the Developer, that portion of the Special Services Assessment that is attributable to the balance of the period shall be collected and paid to the Developer by the purchaser of the Lot. Any sums not reimbursed to the Developer shall also be a lien on the Lot. All other Assessments, when levied, shall be the responsibility of the Owner of record on the date that the Assessment is authorized by the Developer or by the Board of Directors, When Empowered.

Section 7.9 SUBORDINATION OF THE LIEN TO FIRST LIEN MORTGAGES. The liens or claims against a Lot or Dwelling for unpaid Assessments or charges levied by the Developer or the Association, When Empowered, pursuant to this

Declaration shall be subordinate to (a) assessments, liens and charges for taxes past due and unpaid on the Lot or Dwelling; and (b) the lien of any First Lien Mortgagee recorded with the Register of Deeds prior to the recording of a notice of delinquency by the Developer or the Association. Sale or transfer of any Lot or Dwelling shall not affect the liens of the Developer or Association for unpaid Assessments provide for in the preceding sentence. A First Lien Mortgagee who obtains title to a Lot or Dwelling pursuant to foreclosure of its lien or by accepting a deed in lieu of foreclosure shall not be liable for such Lot's or Dwelling's unpaid Assessments that accrue after the date of recording of the first lien mortgage or deed of trust and prior to the acquisition of title to such Lot or Dwelling by the First Lien Mortgagee, and shall take the same free of such lien or claim for unpaid Assessments or charges (except for claims for a pro rata share of such prior Assessments or charges resulting from a pro rata reallocation thereof to all Lots or Dwellings, including the Lot or Dwelling in which the mortgagee is interested). No sale or transfer of a Lot or Dwelling shall relieve an Owner from liability for any Assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any subsequent First Lien Mortgagee, except for liens for Assessment due from subsequent Owners of the Lot if a notice of delinquency is recorded prior to the subsequent first lien mortgage or deed of trust.

Section 7.10 EXEMPT PROPERTY. The following properties subject to this Declaration shall be exempt from the dues, Assessments, charges, and liens created herein: (a) all Common Area and (b) streets and road rights-of-way. Notwithstanding any provision herein, no Lots shall be exempt from said liens.

Section 7.11 LIENS ARE EXEMPT FROM THE SOUTH CAROLINA HOMESTEAD EXEMPTION AND WAIVER OF HOMESTEAD EXEMPTION. Any lien provided for herein shall be exempt from the South Carolina Homestead Exemption, if such lien is foreclosed upon and each Lot Owner by acceptance of the deed to a Lot waives any right to assert a Homestead Exemption.

Section 7.12 NOTICE OF APPRAISAL RIGHTS AND WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding, a defendant against whom a personal judgment is taken or asked may within thirty (30) days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED, TO THE EXTENT ALLOWED BY SOUTH CAROLINA LAW, HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE LOT.

Section 7.13 OTHER ASSESSMENTS. Until the termination of Developer's Class "B" Membership or upon annexations of additional property or reacquisition of Lots in the Community, the Developer shall also have the right, but not the obligation, to establish Assessments for parcels, other than Lots, within the Property and/or for the Dwellings on such parcels, as it determines from time to time in its sole discretion. Such Assessments shall be a lien on such parcels and/or Dwellings and shall be enforceable in the same manner as setout herein for other Assessments.

## ARTICLE VIII
## ARCHITECTURAL CONTROL

Section 8.1 ARCHITECTURAL CONTROL AUTHORITIES. The Developer shall be the initial Architectural Control Authority. The Developer and the Board of Directors, When Empowered, may elect to delegate all or some portion of its authority or responsibilities as the Architectural Control Authority to one or more architectural control committees. The architectural control committees, if and when established, shall be composed of representatives in such numbers and with such qualifications as may be determined by the Developer or the Board of Directors, When Empowered. Each Neighborhood, if and when designated, may have its own Architectural Control Authority established by the Developer or the Board of Directors, When Empowered. The representatives of each Neighborhood Architectural Control Authority need not own Lots in the same Neighborhood as the Neighborhood Architectural Control Authority they are serving on.

Section 8.2 PROCEDURES.

(a) Any person desiring to construct, repair, maintain, place, replace or reconstruct any Improvement on any Lot, Area of Extended Lot Owner Responsibility or Common Area or to make any improvements, alteration or changes to any Improvement, in addition to obtaining any and all applicable property owner or governmental approvals, shall submit Plans and any other documentation required by the Architectural Control Authority to the Architectural Control Authority, which shall evaluate, approve, disapprove or refuse to approve in writing such Plans in light of the purpose of the Declaration. The Architectural Control Authority shall have complete discretion to approve or disapprove Plans for any Improvement and to withhold review of any and all Plans submitted to it from an Owner who is not in good standing as a Member of the Association, including without limitation Members who owe past due Assessments on any Lot in the Community. The Architectural Control Authority may issue from time to time Architectural Guidelines and Regulations to assist it in the approving of Improvements and may change such Architectural Guidelines and Regulations at any time and from time to time without notice to the Owners. Any person using any Improvement shall comply with the Regulations established and amended from time to time. An aggrieved Owner may appeal the final decision of the Architectural Control Authority to the Developer or the Board of Directors, When Empowered, through the processes required by the Architectural Control Authority or as set forth in the Architectural Guidelines or the Regulations. The failure to publish Architectural Guidelines shall not in any manner adversely affect the architectural review authority of the Developer, the Board of Directors, When Empowered, or the Architectural Control Authority, When Empowered as set forth in this Declaration, including without limitation the authority to approve any and all Improvements on any and all Lots, Areas of Extended Lot Owner Responsibility or Common Area.

(b) The Architectural Control Authority may charge a reasonable review fee for its initial and any subsequent review, the amount of which shall be established by the Architectural Control Authority or set forth in the Architectural Guidelines. The Architectural Control Authority may, at its option, employ outside professional services

for the review of Plans and specifications and may pay them accordingly for this service. The charging of fees and the hiring of professionals for this purpose by the Architectural Control Authority must be approved by the Developer or the Board of Directors, When Empowered.

(c) APPROVAL BY THE DEVELOPER, BOARD OF DIRECTORS OR THE ARCHITECTURAL CONTROL AUTHORITY OF ANY PLANS AND SPECIFICATIONS OR THE GRANTING OF A VARIANCE WITH RESPECT TO ANY OF THE ARCHITECTURAL GUIDELINES AND REGULATIONS, WHEN ESTABLISHED, SHALL NOT IN ANY WAY BE CONSTRUED TO SET A PRECEDENT FOR APPROVAL, ALTER IN ANY WAY THE PUBLISHED ARCHITECTURAL GUIDELINES, WHEN ESTABLISHED, OR BE DEEMED A WAIVER OF THE DEVELOPER'S OR OF THE ARCHITECTURAL CONTROL AUTHORITY'S RIGHT IN ITS DISCRETION, TO DISAPPROVE SIMILAR PLANS AND SPECIFICATIONS, USE OF ANY IMPROVEMENT OR ANY OF THE FEATURES OR ELEMENTS WHICH ARE SUBSEQUENTLY SUBMITTED FOR USE IN CONNECTION WITH ANY OTHER LOT. Except for the right of the Developer or Board Of Directors to approve or disapprove the Plans on appeal, approval of the Plans relating to any Lot or Area of Extended Lot Owner Responsibility shall be final as to that Lot or Area of Extended Lot Owner Responsibility and such approval may not be reviewed or rescinded thereafter by the Architectural Control Authority, provided that there has been adherence to, and compliance with the Plans as approved in writing, and any conditions attached to any such approval and the Regulations.

(d) The Architectural Control Authority may, at its option, require the Owner to make a deposit to insure compliance with the approval or the Regulations in an amount and upon conditions to be determined by the Architectural Control Authority. The setting of an amount as a compliance deposit or of conditions for compliance for any one Lot, shall not in any way act to set a precedent or effect in any way the setting of an amount or conditions of compliance for any other Lot or for any other set of Plans which are to be or have been approved within the Architectural Control Authority. Nothing herein shall be deemed to waive or limit in any way any other remedies of the Developer, including those to insure compliance with the Architectural Guidelines and Regulations under this Declaration or at law. If collected, the compliance deposit may be retained or utilized by the Architectural Control Authority in any manner that they may so determine to be reasonable, including the payment of attorney fees, to insure that any violation of the Declaration by that Lot Owner is remedied, including the failure of the Lot Owner to pay Assessments levied by the Association against their Lot.

(e) NEITHER THE DEVELOPER, ITS AGENTS, EMPLOYEES, DIRECTORS, OFFICERS NOR ANY OTHER MEMBER OF AN ARCHITECTURAL CONTROL AUTHORITY, SHALL BE RESPONSIBLE OR LIABLE IN ANY WAY FOR THE DEFECTS, STRUCTURAL OR OTHERWISE, IN ANY PLANS OR SPECIFICATIONS APPROVED BY THE DEVELOPER, THE BOARD OF DIRECTORS, OR THE ARCHITECTURAL CONTROL AUTHORITY NOR FOR ANY DEFECTS IN ANY WORK DONE ACCORDING TO THE PLANS AND SPECIFICATIONS APPROVED BY THE DEVELOPER, THE BOARD OF

DIRECTORS, OR ARCHITECTURAL CONTROL AUTHORITY. FURTHER, NEITHER THE DEVELOPER, THE ASSOCIATION, ARCHITECTURAL CONTROL AUTHORITY, OR THEIR RESPECTIVE SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, OR ATTORNEYS SHALL BE LIABLE TO ANYONE BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, MISFEASANCE, MALFEASANCE OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS OR THE EXERCISE OF ANY OTHER POWER OR RIGHT OF THE DEVELOPER, THE BOARD OF DIRECTORS, OR THE ARCHITECTURAL CONTROL AUTHORITY PROVIDED FOR IN THIS DECLARATION. EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS TO THE DEVELOPER, THE BOARD OF DIRECTORS, OR THE ARCHITECTURAL CONTROL AUTHORITY FOR APPROVAL AGREES, BY SUBMISSION OF SUCH PLAN AND SPECIFICATIONS, AND EVERY OWNER OF ANY LOT AGREES, THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST THE DEVELOPER, THE ASSOCIATION, THE MEMBERS OF ITS BOARD OF DIRECTORS OR THEIR AGENTS, EMPLOYEES AND OFFICERS, OR ANY MEMBER OR AGENTS OF THE ARCHITECTURAL CONTROL AUTHORITY, TO RECOVER ANY DAMAGES ARISING OUT OF SUCH APPROVAL OR DISAPPROVAL, AND, EACH OWNER BY ACCEPTANCE OF THE DEED TO THE LOT, RELEASES, REMISES, QUIT CLAIMS, AND COVENANTS NOT TO SUE FOR, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH SUCH APPROVAL OR DISAPPROVAL, NOTWITHSTANDING, ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

Section 8.3 COMMENCEMENT AND COMPLETION OF THE CONSTRUCTION, PLACEMENT OR MODIFICATION OF AN IMPROVEMENT BY AN OWNER. Until one hundred percent (100%) of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for the purposes of development and sale, the Developer or the Board of Directors, When Empowered, shall have the authority to determine what period of time should be allowed for the commencement and completion of the construction, placement or modification of any Improvement on a Lot, specifically including a Dwelling. Such timeframe for commencement and for the completion of such construction, placement or modification of the Improvement shall be provided to said Owner in the written notice of approval for such Improvement required by the Declaration to be obtained by said Owner prior to the commencement of the construction, placement or modification of an Improvement, including the clearing or preparation of any portion of the Lot or the delivery of materials. The failure of the Developer or the Board of Directors, When Empowered, to include these deadlines in such approval notice shall not limit in any way the authority of the Developer or the Board of Directors, When Empowered, to thereafter determine such time frame or to enforce this provision of the Declaration, nor shall such failure preclude the Developer or the Board of Directors, When Empowered, from providing such notice to an Owner in a written notice provided to the Owner at some point prior to or during the construction, placement or modification of the Improvement. Unless a longer period for commencement or completion is

approved by the Developer or the Board of Directors, When Empowered, the failure of an Owner to commence or complete such construction, placement or modification of an Improvement, including the installation of any required landscaping, within the period provided by the Developer or the Board of Directors, When Empowered, shall be a violation of the Declaration, which shall, in addition to all other remedies set out in the Declaration, the By-Laws, the Architectural Guidelines, any Builder Guidelines, the Regulations or under the law, include the removal of an Improvement from the Lot, such as by example an unfinished fence or shed or an incomplete or damaged Dwelling, in accordance with Section 11.4 of the Declaration.

## ARTICLE IX
## OWNER'S MAINTENANCE RESPONSIBILITIES

Section 9.1 OWNER'S MAINTENANCE RESPONSIBILITIES. Unless specifically identified herein or specifically elected by the Developer or the Board of Directors, When Empowered, as being the responsibility of the Association, all maintenance and repair of a Lot or Area of Extended Lot Owner Responsibility, together with all portions of the Dwelling, and other Improvements on the Lot, including without limitation landscaping maintenance, shall be the responsibility of the Owner of such Lot. The responsibility of each Owner shall include, but not limited to, the painting, maintenance, repair, and replacement of walls or fences, and all siding, exterior doors, fixtures, mailboxes, equipment, and appliances (including, without limitation, the heating and air-conditioning system for the Dwelling) and all chutes, flues, ducts, conduits, wires, pipes, plumbing or other apparatus which are deemed to be a part of the Dwelling or Lot or Area of Extended Lot Owner Responsibility, and the lawns, trees, shrubs, fences, grass, driveways, walkways, patios, or sidewalks and any other landscaping component on the Lot or Area of Extended Lot Owner Responsibility. The responsibility of the Owner shall also include, but not be limited to, the maintenance, repair, and replacement of all glass, lights and light fixtures (exterior and interior), awnings, window boxes, window treatments, window screens, and all screens or glass-enclosed porches, patios, balconies, or decks which are a part of the Dwelling. Each Owner shall also maintain roof, gutters and downspouts in a good state of repair. In addition, each Owner shall maintain their trash receptacles in such a manner as to prevent any foul or unpleasant odors from disturbing others, or odors that may attract animals. Each Owner shall ensure that trash receptacles containing building or construction waste and debris are maintained in a manner in keeping with the requirements of this Section, including without limitation the responsibility of keeping said receptacles from becoming overloaded with waste and debris or becoming an aesthetic eyesore or potential danger for others in the Community. The Owners shall also be responsible for maintaining, repairing and replacing the Common Area, Area of Common Responsibility, area under a Cost Sharing Agreement, as determined by the Association. The Developer or the Board of Directors, When Empowered, shall determine, in its sole discretion, the nature, standard and scheduling of the maintenance, repair and replacement of these areas and Improvements thereon. The Developer and the Association, When Empowered, shall have the authority to enforce an Owner's maintenance responsibilities under this Article, pursuant to remedies set forth in this Declaration.

Section 9.2 OWNER MUST PROVIDE INSURANCE OF DWELLING. Each Owner shall, at its own expense, insure the Dwelling and all other insurable Improvements on the Lot in an amount not less than the then current maximum insurable replacement value thereof. Such coverage shall afford protection against loss or damage by fire and other hazards

covered by the standard extended coverage endorsements and such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm and water damage.

Section 9.3 RECONSTRUCTION OR REPAIR OF DAMAGED DWELLING. If any Dwelling or other Improvement on a Lot or Area of Extended Lot Owner Responsibility shall be damaged by casualty, the Owner of such Lot shall promptly, as such period shall be deemed reasonable and appropriate by the Developer or the Board of Directors, When Empowered, reconstruct or repair it so as to restore such Dwelling nearly as possible to its condition prior to suffering the damage. All such reconstruction and repair work shall be done in accordance with plans and specifications therefor, approved by the Developer, or Board of Directors, When Empowered. Encroachments upon or in favor of Dwelling or Lots, which may be necessary for or created as a result of such reconstruction or repair, shall not constitute a claim or basis of a proceeding or action by the Owner on whose Dwelling or Lot such encroachment exists, provided that such reconstruction or repair is done substantially in accordance with the plans and specifications approved by the Architectural Control Authority or as the building was originally constructed.

Section 9.4 MAINTENANCE AND OPERATION OF IRRIGATION SYSTEMS ON LOTS.

(a) Unless such responsibility is voluntarily assumed by the Association, it shall at all times be the obligation of all Lot Owners to properly irrigate the landscaped areas of their Lot and, where an irrigation system has been installed on a lot, to maintain their irrigation system in a manner that allows for the proper operation of the system. The Developer or the Association, When Empowered, shall have the sole authority to determine what level of irrigation is proper and to define proper operation of an irrigation system. Where individual Lot-specific irrigation systems exist, upon receipt of notice from the Association that the irrigation system is not properly operating, that specific maintenance or repairs to the system are necessary or that an adjustment to the amount of or schedule for irrigation that is being provided to any portions of the landscaped areas of a Lot is necessary, a Lot Owner shall cause that repair or maintenance of the irrigation system to be performed in the time frame set out in the Association's notice or shall immediately commence or cease irrigation or increase or decrease the amount of irrigation or change the schedule for irrigation being provided to the landscaped areas of the Lot noted in that notice. Unless the cost and responsibility for the maintenance and/or utilities necessary to operate the irrigation system for a Lot is assumed by the Association, neither the Developer nor the Association shall have any responsibility for the maintenance of the irrigation system on an Owner's Lot or for the cost of the utilities required to operate the irrigation system. After notice from the Developer or the Association, When Empowered, to adjust or maintain their irrigation system or to provide irrigation to their Lot or to a specific portion of their Lot and after that Owner's failure to comply by the deadline provided with such notice, the Developer or the Association, When Empowered, may, in addition to any other remedies provided by the Declaration, the By-Laws or the Regulations, at any time thereafter repair, replace, engage, disengage or adjust the volume or schedule of any existing irrigation system for that Lot in order to provide proper irrigation of the landscaping intended to be irrigated by that system. This

provision shall not be construed to enable the Developer or the Association to install an irrigation system on a Lot that, prior to that point, had no irrigation system, however, it shall not prohibit the Association from providing maintenance to an existing system or from extending an existing system to provide such irrigation to areas of an Owner's Lot that the Developer or the Association, When Empowered, deem to need irrigation.

(b) In some cases, the Developer or a builder, with the consent of the Developer, may determine that a Lot Owner benefits from the irrigation of landscaping on a Common Area that adjoins their Lot. In such cases, the Developer, in its sole discretion, may authorize the installation of an irrigation system for a Common Area or a portion thereof that is connected to or is a part of the irrigation system for that adjoining Lot and that relies upon the supply of water or power supply from the adjoining Lot to operate or may cause the irrigation system for that adjoining Lot to overspray onto a portion or all of the Common Area, Area of Common Responsibility, or area under a Cost Sharing Agreement. In such cases, the Developer reserves unto itself and to the Association, a perpetual, alienable easement and right of ingress, egress and access, over, upon, across and under that Lot to install, maintain and replace such an irrigation system designed to provide irrigation for part or all of an adjoining Common Area, Area of Common Responsibility, or area under a Cost Sharing Agreement. The Association shall be responsible for the maintenance of any portion of the irrigation system that is located on the Common Area and the Lot Owner shall be responsible for the maintenance of any portion of the irrigation system that is located on the Lot, along with all utilities required to operate the entire irrigation system. With the exception of the maintenance by the Association of any portion of the system that is located on the Common Area Area of Common Responsibility, or area under a Cost Sharing Agreement as set out in this paragraph, any requirement provided in this paragraph that an Owner maintain, repair or replace the irrigation system on such Owner's Lot or that the Owner adjust the schedule for irrigation for their landscaping when notified, shall include the requirement of that Owner to maintain, repair or replace the irrigation system on such Owner's Lot and to comply with the directives of the Developer or the Association, When Empowered, so that the irrigation system on such Owner's Lot serves the Common Area, Area of Common Responsibility, or area under a Cost Sharing Agreement if either the irrigation system for such Owner's Lot is designed to overlap or provide coverage onto a Common Area or the irrigation system for the Common Area, Area of Common Responsibility, or area under a Cost Sharing Agreement is connected to the irrigation system on such Owner's Lot.

(c) Where the irrigation system for a Lot is connected to a common supply of water for more than one Lot or where the Association assumes responsibility for supplying water to operate such a system or assumes responsibility for the maintenance, repair and replacement of the irrigation system, the Owner of such Lot shall not attempt to repair or adjust the operation of the irrigation system in any way without the express permission of the Developer or the Association, When Empowered. In such cases, the Association shall be authorized, without notice to the Owner of the Lot, to enter the Lot in accordance with the easement so granted by Section 2.28 herein, to provide inspection, repair or maintenance to the irrigation system. Where such inspection, repair or maintenance cost is not a part of the Association's Annual Assessment, the Association

shall be entitled to levy a Specific Purpose Assessment against that Lot of the Owner to offset such cost, without prior notice to the Lot Owner, irrespective of whether or not that Lot has been designated as, or is a part of, a Specific Purpose Area. Where the need for such maintenance or repair is the result of the action(s) or inaction(s) of the Owner of a Lot, the Association shall be entitled to levy an Assessment for Non-Compliance against the Lot of that Owner. In addition to any other easements provided to the Developer or the Association, for the purpose of inspecting, maintaining and repairing the irrigation system on a Lot, the Developer and the Association, When Empowered, shall be provided with an easement of ingress and egress over the Lot and no such entry for the purpose of inspecting, repairing or maintaining such irrigation system shall be deemed a trespass.

## ARTICLE X
## GRADING, DRAINAGE, EROSION CONTROL AND MINOR DRAINAGE

Section 10.1 GENERAL GRADING, DRAINAGE AND EROSION CONTROL. FOR PURPOSES OF THIS ARTICLE, THE RESPONSIBILITIES HEREINAFTER DESCRIBED OF AN OWNER OF A LOT SHALL INCLUDE THE CORRESPONDING AREA OF EXTENDED LOT OWNER RESPONSIBILITY, IN ADDITION TO THE LOT ITSELF. THE TOTAL RESPONSIBILITY FOR AND COST OF COMPLIANCE WITH THIS SECTION OF THE DECLARATION SHALL BE THAT OF THE OWNER OF THE LOT. ANY OR ALL OF THE RESPONSIBILITY OF THE DEVELOPER AS A LOT OWNER FOR DRAINAGE AND EROSION CONTROL ON OR FROM A LOT AND FOR THE COST THEREOF MAY, IF SO STATED IN THAT AGREEMENT, BE TRANSFERRED THROUGH THE EXECUTION OF A WRITTEN AGREEMENT BETWEEN THE DEVELOPER AND AN INDIVIDUAL OR ENTITY PURCHASING THAT LOT. THE DEVELOPER, OR THE ASSOCIATION, WHEN EMPOWERED, SHALL HAVE AS REMEDIES FOR NON-COMPLIANCE, THE LEVYING OF ASSESSMENTS FOR NON-COMPLIANCE AGAINST THAT LOT, THE AUTHORITY TO ENTER THE LOT AND TAKE APPROPRIATE ACTION TO REMEDY THE VIOLATION OR THE AUTHORITY TO BRING LEGAL ACTION TO FORCE THE OWNER OF THE LOT TO COMPLY WITH THE TERMS SET OUT HEREIN. IN THE EVENT THAT THE DEVELOPER OR THE ASSOCIATION TAKES SUCH ACTION TO ASSURE COMPLIANCE, AS WITH OTHER VIOLATIONS OF THE DECLARATION, ALL COSTS INCURRED BY THE DEVELOPER OR THE ASSOCIATION RELATED TO BRINGING THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY INTO COMPLIANCE SHALL BE THAT OF THE LOT OWNER AND COLLECTABLE BY THE DEVELOPER FROM THE LOT OWNER OR IF BY THE ASSOCIATION, SHALL BE MADE A PART OF THE ASSOCIATION'S CONTINUING LIEN ON THE LOT.

ALL GRADING, DURING AND AFTER CONSTRUCTION, SHALL AT ALL TIMES BE PERFORMED IN ACCORDANCE WITH (A) ANY APPLICABLE PORTIONS OF THE STORM WATER MANAGEMENT PLAN, OR ANY SEDIMENT AND EROSION CONTROL PLAN, GRADING AND DRAINAGE PLAN, POLLUTION PREVENTION PLAN OR ANY OTHER APPLICABLE PLAN WHICH MAY BE ON FILE WITH THE DEVELOPER OR ASSOCIATION OR FILED WITH ANY APPLICABLE GOVERNMENTAL AGENCY OR AUTHORITY WHICH CONFORMS TO REGULATIONS PROMULGATED BY THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND

ENVIRONMENTAL CONTROL AND/OR (B) ANY OTHER APPLICABLE LEGISLATION, LAW, STATUTE OR ORDINANCE GOVERNING THE CONTROL OF DRAINAGE. IT SHALL AT ALL TIMES BE THE RESPONSIBILITY OF THE OWNER OF THE LOT OR, IN THE CASE OF THE CONTRACTUAL TRANSFER OF THE RESPONSIBILITY FOR COMPLIANCE DIRECTLY FROM THE DEVELOPER TO AN INDIVIDUAL OR ENTITY, THAT INDIVIDUAL OR ENTITY, TO REQUEST AND REVIEW ALL SUCH APPLICABLE PLANS. UNLESS SUCH A REQUEST IS MADE BY SAID LOT OWNER, INDIVIDUAL OR ENTITY, FAILURE ON THE PART OF THE DEVELOPER OR ASSOCIATION TO SUPPLY THAT LOT OWNER, INDIVIDUAL OR ENTITY WITH COPIES OF THE APPLICABLE PLANS SHALL NOT BE A DEFENSE FOR NON-COMPLIANCE OR RELEASE OF RESPONSIBILITY ON THE PART OF THAT LOT OWNER, BUILDER, INDIVIDUAL OR ENTITY. ANY LOT OWNER, INCLUDING BUILDERS, OR BUILDER, BY ACCEPTANCE OF THE DEED TO A LOT, AND AT ALL TIMES THEREAFTER, SHALL HAVE BEEN DEEMED TO HAVE AGREED TO AND ACCEPTED THE RESPONSIBILITY ESTABLISHED BY A CO-PERMITTEE AGREEMENT AND TO HAVE ASSUMED THE RESPONSIBILITIES OF A CO-PERMITTEE AND BE BOUND TO THE ABOVE MENTIONED PLANS AND INDEMNIFY AND HOLD THE DEVELOPER, THE ASSOCIATION AND THE ARCHITECTURAL CONTROL AUTHORITY HARMLESS FROM ANY AND ALL DEVIATIONS BY THE LOT OWNER, OR THEIR BUILDER FROM THAT PLAN OR FROM THE LOT OWNER'S OR BUILDER'S FAILURE TO COMPLY WITH THIS DECLARATION OR ANY APPLICABLE LEGISLATION, LAWS, STATUTES OR ORDINANCES, WHETHER SUCH LANGUAGE IS INCLUDED IN THAT DEED, CONTRACT, OR ACCEPTANCE OR ASSIGNMENT DOCUMENT OR WHETHER THEY HAVE EXECUTED A "CO-PERMITTEE AGREEMENT" OR NOT.

ALL TEMPORARY AND PERMANENT GRADING SHALL BE PERFORMED IN A MANNER TO ALLOW FOR PROPER DRAINAGE, TO PROPERLY MANAGE THE FLOW OF STORM WATER RUN-OFF AND TO CONTROL EROSION. DURING AND AFTER CONSTRUCTION, OWNER (AND DURING CONSTRUCTION, OWNER'S BUILDING CONTRACTOR) SHALL BE RESPONSIBLE FOR MAINTAINING ALL GRADING AND DRAINAGE TO PREVENT THE DAMMING OF WATER, INCREASED RUNOFF, OR EROSION THAT RESULTS IN SEDIMENT LOSS. IN NO CASE SHALL SEDIMENT BE ALLOWED TO WASH ONTO OR ACCUMULATE ON ADJACENT LOTS, ADJACENT PROPERTIES, INTO BODIES OF WATER, ONTO THE STREETS OF THE COMMUNITY OR INTO THE STORM DRAINAGE SYSTEM; OR TO ADVERSELY AFFECT ANY OF THESE AREAS OR IMPROVEMENTS. LOT OWNER AND LOT OWNER'S BUILDING CONTRACTOR SHALL PROVIDE RIP-RAP, GRAVEL EXITS, WATER BARS, BERMS, SEDIMENT FENCES, HYDRO-SEEDING, SOD, OR OTHER FORMS OF EROSION CONTROL AS MAY BE REQUIRED BY THE DEVELOPER, THE ASSOCIATION, OR THE ARCHITECTURAL CONTROL AUTHORITY OR ANY GOVERNMENTAL AGENCY.

OWNER (AND OWNER'S BUILDING CONTRACTOR UPON COMPLETION OF CONSTRUCTION) SHALL INSURE THAT THE GRADE OF THE LOT AND AREA OF EXTENDED LOT OWNER RESPONSIBILITY, AND ANY ADJUSTMENT TO THAT GRADE THEREAFTER, DOES NOT CAUSE THE DEPTH OF ANY UTILITIES INSTALLED UPON THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY TO BE REDUCED TO LESS THAN THE STANDARD SET FORTH BY THE UTILITY

PROVIDER OR ANY APPLICABLE CODE, STATUTE OR LAW, WHICHEVER MAY BE DEEPER.

Section 10.2 MINOR DRAINAGE. MINOR DRAINAGE, DEFINED AS DRAINAGE PIPE OR SYSTEM DRAINING MORE THAN ONE LOT AND THAT IS NOT ACCEPTED FOR MAINTENANCE BY ANY COUNTY OR MUNICIPALITY OR OTHER LIKE ENTITY, MAY BE ACCEPTED FOR MAINTENANCE BY THE ASSOCIATION, PROVIDED, HOWEVER, THAT IN THE EVENT THAT AN OWNER NEGLECTS OR FAILS TO KEEP THE MINOR DRAINAGE LOCATED ON THEIR LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY FREE AND CLEAR OF OBSTRUCTIONS OR BLOCKAGE OR IF AN OWNER SHALL DAMAGE OR DESTROY ANY PORTION OF THE MINOR DRAINAGE SYSTEM ON THEIR LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY, THE DEVELOPER OR THE ASSOCIATION, WHEN EMPOWERED, MAY IN ADDITION TO ANY OTHER REMEDY, ENTER THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY AND CLEAR ANY OBSTRUCTION OF AND REPAIR ANY DAMAGE TO THE MINOR DRAINAGE SYSTEM IMPROVEMENTS ON THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY. THE DETERMINATION AS TO WHETHER THE ASSOCIATION ASSUMES MAINTENANCE RESPONSIBILITY FOR ANY PORTION OF THE MINOR DRAINAGE SYSTEM LOCATED ON A LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY SHALL BE THAT OF THE DEVELOPER AS LONG AS IT OWNS ANY PORTION OF THE PROPERTY. THEREAFTER, THE DETERMINATION AS TO WHETHER THE ASSOCIATION ASSUMES MAINTENANCE RESPONSIBILITY FOR ANY PORTION OF THE MINOR DRAINAGE SYSTEM LOCATED ON A LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY AND AT ALL TIMES AS TO WHETHER AN OWNER HAS NEGLECTED OR FAILED TO KEEP ANY PORTION OF THE MINOR DRAINAGE SYSTEM LOCATED ON THEIR LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY FREE AND CLEAR OF OBSTRUCTIONS OR BLOCKAGE OR HAS DAMAGED OR DESTROYED THE MINOR DRAINAGE IMPROVEMENTS ON THE LOT OR AREA OF EXTENDED LOT OWNER RESPONSIBILITY SHALL BE MADE BY THE DEVELOPER OR THE BOARD OF DIRECTORS, WHEN EMPOWERED, OR BY AN ENTITY AUTHORIZED TO DO SO BY THE DEVELOPER OR THE BOARD OF DIRECTORS, WHEN EMPOWERED, IN ITS SOLE DISCRETION. IN THE EVENT THAT THE ASSOCIATION DETERMINES THAT THE NEED FOR MAINTENANCE, REPAIR OR REPLACEMENT OF THE MINOR DRAINAGE, WHETHER SUCH MINOR DRAINAGE SYSTEM OR A PORTION THEREOF IS ACCEPTED FOR MAINTENANCE BY THE ASSOCIATION OR NOT, IS CAUSED THROUGH THE WILLFUL OR NEGLIGENT ACT OF AN OWNER, OR THE PERMITTEES OF ANY OWNER, THEN THE ASSOCIATION MAY PERFORM SUCH MAINTENANCE, REPAIR OR REPLACEMENT AT SUCH OWNER'S SOLE COST AND EXPENSE, AND ALL COSTS THEREOF, TOGETHER WITH ANY ASSESSMENTS FOR NON-COMPLIANCE LEVIED BY THE ASSOCIATION FOR NON-COMPLIANCE AND ALL COSTS OF THE COLLECTION SHALL BE ADDED TO AND BECOME A PART OF THE ASSESSMENT TO WHICH SUCH OWNER IS SUBJECT AND SHALL BECOME A LIEN AGAINST THE LOT OF SUCH OWNER. EACH OWNER IS RESPONSIBLE FOR THE ACTIONS OF AND THE COMPLIANCE WITH THESE DOCUMENTS AND THE REGULATIONS BY THE PERMITTEES OF THAT OWNER AND

SHALL FURTHER BE RESPONSIBLE FOR THE PAYMENT OF ANY ASSESSMENTS LEVIED FOR THAT NON-COMPLIANCE AND ALL COSTS ASSOCIATED THERETO.

## ARTICLE XI
## REMEDIES

Section 11.1 REMEDIES FOR NONPAYMENT OF ASSESSMENTS. Any Assessments not paid by the due date shall bear interest from the due date at the rate of sixteen percent (16%) per annum or, if sixteen percent (16%) is higher than allowed by law, then the highest rate allowed by law. Said interest shall be charged at the discretion of the Developer or the Board of Directors, When Empowered. In addition, the Developer or the Board of Directors, When Empowered, shall have the right to charge an Association collection fee or late charge on any Assessment or installment thereof which shall not have been paid by its due date. In the event that the Developer or the Board of Directors, When Empowered, chooses an installment schedule for the method of payment for an Assessment or as a method of allowing an Owner to pay past due Assessments, and in the event that any installment is delinquent, the Developer or the Board of Directors, When Empowered, shall have the right to accelerate and immediately make due all or part of the Assessment due from that Owner of that Lot for that budgeted period. The Developer or the Board of Directors, When Empowered, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the Lot(s) in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages on time shares or for the foreclosure of mortgages by judicial proceedings, and may seek a deficiency judgment, and recovery of Costs of Collection. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot nor shall damage to or destruction of any Improvements on any Lot by fire or other casualty result in any abatement or diminution of the Assessments provided for herein. No disagreement on the part of any Owner with respect to the budget; the amount or installment schedule for any Assessment; any change to the amount or installment schedule for the Assessment; the Regulations established or amended by the Developer or the Board of Directors, When Empowered; the actions or lack of action on the part of the Developer or the Association; the purpose for any Assessment for Capital Repair or Improvements; or the amount or purpose of any Assessment for Budgetary Shortfall shall be reason for any Owner to fail to pay any Assessment at the time that it is due. Additionally, no diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged or proven failure of the Association, Developer or Board of Directors to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action taken or not taken by the Association, Developer or Board of Directors. The Developer or Board of Directors, When Empowered, may at any time notify the holder of any mortgage or other lien on a Lot of (1) any amount owed to the Association by the Lot Owner, (2) the failure of the Lot Owner to pay Assessments, or (3) the occurrence of any other violation of the Declaration.

Section 11.2 REMEDIES FOR NONPAYMENT OF AD VALOREM TAXES OR LEVIES FOR PUBLIC IMPROVEMENTS BY THE ASSOCIATION. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or Assessments levied for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot

shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or Assessments in an amount determined by dividing the total taxes and/or Assessments due the governmental authority by the total number of Lots in the Community. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien, subordinate to all mortgages on the Lot of the then Owner, his or their heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 11.3 REMEDIES FOR FAILURE TO MAINTAIN EXTERIOR OF DWELLING AND LOT. In the event that the Owner neglects or fails to maintain his Lot, Area of Extended Lot Owner Responsibility, and/or the exterior of his or her Dwelling in the Community, the Developer or the Association, When Empowered, may in addition to any other remedy, provide such exterior maintenance. The Developer or the Association, When Empowered, shall first give written notice to the Owner of the specific items of the exterior maintenance or repair that the Association intends to perform and the Owner shall have the time set forth in said notice within which to perform such exterior maintenance himself or to satisfy the Association that the required maintenance or repair will be completed in a timely manner. The determination as to whether an Owner has neglected or failed to maintain his Lot, Area of Extended Lot Owner Responsibility, and/or Dwelling in a manner consistent with other Lots, Areas of Extended Lot Owner Responsibility and Dwellings in the Community shall be made by the Developer or the Board of Directors, When Empowered, in its sole discretion, or an entity authorized to do so by the Developer or the Board of Directors, When Empowered.

In the event the Association performs such exterior maintenance, repair or replacements repair, the costs of such maintenance, repairs or replacement together with all costs of collecting from the Owner the cost of such maintenance, repairs or replacement established herein shall be added to and become a part of the Assessment to which that Lot is subject.

In the event that the Association determines that the need for maintenance, repair or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner or the Permittees of any Owner, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof, together with any Assessments for Non-Compliance levied by the Association for non-compliance and all costs of the collection shall be added to and become a part of the Assessment to which such Owner is subject and shall become a lien against the Lot of such Owner. Each Owner is responsible for the actions of and the compliance with these documents and the Regulations by the Permittees of that Owner and shall further be responsible for the payment of any Assessments levied for that non-compliance.

Section 11.4 REMEDIES FOR FAILURE TO COMPLETE OR REPAIR A DAMAGED OR NON-COMPLIANT DWELLING OR OTHER IMPROVEMENT. In the event that: a) an Owner or their builder fails to complete a Dwelling or other Improvement within the timeframe provided in an approval granted by the Developer or the Architectural Control Authority for that Improvement or Dwelling; b) an Owner fails to repair or remove a damaged Dwelling or other Improvement after notice from the Developer or the Association, When Empowered, to repair or remove a damaged Dwelling or other Improvement or c) that an

Owner fails to apply for and to obtain written approval from the Architectural Control Authority for a Dwelling or other Improvement, all of which shall be violations of the Declaration, the Developer or the Association, When Empowered, may in addition to any other remedy provided by this Declaration or the law, enter the Lot and either remove the non-compliant Dwelling or other Improvement or bring the non-compliant Dwelling or other Improvement into compliance at the Lot Owner's expense. The Developer or the Association, When Empowered, shall first give written notice to the Owner of the Lot of the Owner's responsibility to complete, repair, replace or remove the Dwelling or other Improvement or to apply for and to obtain approval by a deadline established in such notice, as well as of the Association's intent to take such action as may be necessary to remedy the violation, including the Developer's or the Association's, When Empowered, intent to complete, repair, replace or remove the Dwelling or other Improvement, at the Owner's expense.

The Owner shall have the time set forth in said notice within which to bring the Dwelling or other Improvement into compliance or to satisfy the Association that the Dwelling or other Improvement will be brought into compliance in a timely manner. The determination as to whether an Owner has failed to comply with the approval granted by the Architectural Control Authority and what period is reasonable for bringing the Dwelling or other Improvement into compliance shall at all times be made by the Developer or the Board of Directors, When Empowered, in its sole discretion.

In the event the Association performs such completion, repair, replacement or removal, the costs of such completion, repair, replacement or removal, along with any Assessment for Non-Compliance levied by the Association and all costs of collecting from the Owner the cost of such completion, repair, replacement or removal and any Assessment for Non-Compliance levied by the Association shall be added to and become a part of the Assessment to which that Lot is subject and shall become a lien against the Lot of such Owner.

Section 11.5 ADDITIONAL REMEDIES. Enforcement of the Declaration, By-Laws, and the Regulations, in addition to any other remedy set out herein, may be carried out by the Developer and the Association through, at their sole discretion, arbitration or any proceeding at law or in equity, against any person or persons violating or attempting to violate any covenant or restriction in the Declaration, By-Laws, or Regulations, either to prevent or restrain violations, to recover damages or to compel a compliance to the terms thereof. Any failure by the Developer, the Association, When Empowered, or any Owner to enforce any covenant or restriction herein contained or contained in the Declaration or By-Laws or to enforce any of the Regulations shall in no event be deemed a waiver of a right to do so thereafter. In addition to the foregoing, the Developer or the Board of Directors, When Empowered, shall have the right wherever there shall have been built on any Lot or Area of Extended Lot Owner Responsibility any Improvement which is in violation of the Declaration, Architectural Guidelines or Regulations to enter upon the Lot or Area of Extended Lot Owner Responsibility where such violation exists and summarily abate or remove the same at the expense of the Owner, including without limitation the right to cease current construction and enjoin further construction, if after written notice of such violation, it shall not have been corrected by the Owner within the time required by the notice of violation. Any such entry and abatement or removal shall not be deemed a trespass.

(a) The Developer or the Association, When Empowered, may, in addition to any other remedy, suspend the Common Area Area of Common Responsibility, or area under a Cost Sharing Agreement use and enjoyment rights of any Owner, their Permittees or any of their pets or animals, for an appropriate period of time to be determined on a case by case basis by the Developer or the Board of Directors, When Empowered, for any non-compliance with the provisions of this Declaration, the By-Laws or of the Regulations. The right, however, of a Member to ingress and egress over the roads and/or parking areas shall not be suspended if they provide necessary access to their Lot.

(b) The Owner grants to the Developer and the Association the right and permission to enter the Lot to remove or correct any violation of the Declaration, By-Laws or Regulations, including but not limited to, the maintenance of Lots, Areas of Extended Lot Owner Responsibility, Area of Common Responsibility and area under any Cost Sharing Agreement or any Improvement thereon, and the removal of abandoned automobiles from any portion of the Property considered by the Board of Directors to be in violation with the Regulations, Declaration, By-Laws or to be a nuisance.

(c) In addition to the remedies outlined in this Article, the Developer or the Association, When Empowered, may, but shall not be required to, enter upon any Lot(s), Common Area, Area of Extended Lot Owner Responsibility, Area of Common Responsibility or area under a Cost Sharing Agreement, seize and either deliver to the animal control authority at the Owner's cost, any pet or other animal that is not in compliance with the Declaration, By-Laws, or the Regulations or to be a nuisance. Notice of non-compliance shall be given to any Owner whose pets or animals are not in compliance, except when said non-compliance creates an emergency as determined by the Developer or the Board of Directors, When Empowered. The departure, while not under the restraint of a leash, of any pet or other animal from the Lot of its Owner, shall immediately constitute an emergency and there shall be no requirement for notice to be given.

(d) In addition to the remedies outlined above in this Article, the Developer, or the Association, When Empowered, shall have the right to arrange for the removal, at the Owner's expense, of any vehicle that is parked in violation of the Declaration or the Regulations after notice to the Owner of the Lot on or beside which the vehicle is parked. Notice of non-compliance shall be given to any Owner where the parking of a vehicle or vehicles, except when said non-compliance creates an emergency as determined by the Developer or the Board of Directors, When Empowered. The parking of a vehicle which impedes the passage of any emergency vehicle or school bus, shall immediately constitute an emergency and there shall be no requirement for notice to be given.

(e) In addition to the remedies outlined above in this Article, despite the payment of any Assessments, the Developer, or the Association, When Empowered, shall have the right to terminate, change, suspend, increase, or decrease, in the sole discretion of the Developer or the Board, When Empowered and without the consent of the Owners or their mortgagees, any and all Special Services and other services provided by the Association to its Members, including without limitation review and/or approval of architectural plans by the Architectural Control Authority, to those Members who are not

in compliance with the terms of the Declaration, the By-Laws, the Architectural Guidelines, or the Regulations, including without limitation those Members who owe past due Assessments, until such time as the Member comes back into compliance.

(f) With regard to Owners of multiple Lots in the Community, including without limitation builders, and in addition to the remedies outlined above in this Article, the Developer, or the Association, When Empowered, shall have the right to apply delinquent Assessment amounts owed on one or more of the Owner's Lots to the Association's all-encompassing lien over all the Lots in the Community owned by that Owner, and the Developer and the Association, When Empowered, shall possess all the rights and powers of remedying delinquent Assessments and enforcing its continuing lien on the Lots as set forth in the provisions of this Declaration. The Association's all-encompassing lien over said Lots shall not be released on the individual Lots it covers until any and all Assessment delinquencies for all the Owner's Lots have been remedied by the Owner, unless otherwise authorized by the Developer or the Association, When Empowered. If such a Lot is sold without payment of its delinquent assessments, the Association may apply that delinquent amount to its all-encompassing lien over that Owner's remaining Lots in the Community.

(g) All costs incurred by the Developer (in its capacity as a Class "B" Member) or the Association, When Empowered, as a result of any violation(s) of any provision of this Declaration, the Architectural Guidelines, or the Regulations, including without limitation all Costs of Collection, shall be a lien upon the affected property and a personal obligation of the applicable Owner.

Section 11.6 DEVELOPER'S CLASS "C" MEMBERSHIP ENFORCEMENT REMEDIES.

(a) In addition to the remedies outlined above in this Article and in addition to any other remedies or rights reserved to the Developer under a previously recorded document affecting the Property or a portion thereof, the Developer's right to enforce the provisions of this Declaration, the By-Laws, the Architectural Guidelines, and the Regulations shall extend for as long as the Developer owes any duties or obligations to a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property, even if the Developer has already turned over control of the Association to a Member-elected Board of Directors and even if the Developer's Class "B" Membership has converted to Class "C" Membership; provided that the Developer may exercise the extended enforcement rights described in this Section for purposes including, but not limited to, (1) responding to a request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property; or (2) in the sole discretion of the Developer, preventing an anticipated request or demand of a governmental body, district, agency, or authority exercising jurisdiction over a portion of the Property.

(b) The Developer may exercise its extended enforcement powers described in this Section: (1) through the Association, whereby the Association exercises its enforcement powers under this Declaration in order to adequately respond to, or attempt

to prevent, the request or demand of a governmental body, district, agency, or authority; or (2) independently of the Association, whereby the Developer exercises any and all enforcement powers reserved to it under the Declaration in order to adequately respond to, or attempt to prevent, the request or demand of a governmental body, district, agency, or authority, including without limitation the right to enter any portion of the Property, Area Of Common Responsibility or area under a Cost Sharing Agreement to remedy a violation, the right to impose Assessments for Non-Compliance and the right to file a lien upon the Lot of the Owner against whom enforcement is being sought for the amount of such Assessments, and the right to bring any and all other legal actions to force compliance by an Owner. In the event the Developer exercises said extended enforcement powers, all costs incurred by the Developer, including reasonable attorneys' fees, shall be the responsibility of the Lot Owner(s) against whom enforcement was sought and shall be added to the lien filed by the Developer against said Lot Owner, if applicable. The provisions of this Section provide the Developer with the option of exercising extended enforcement powers under the Declaration as a Class "C" Member, however they do not impose any duty or obligation upon the Developer to do so and these rights shall extend beyond the termination of the Developer's Class "B" Membership.

Section 11.7 REMEDIES CUMULATIVE. The remedies available pursuant to this Declaration are cumulative, separate and independent, and exercise of any remedy shall not preclude exercise of any other remedy available at law or equity and shall also apply to the Area of Common Responsibility and the area under a Cost Sharing Agreement.

## ARTICLE XII
## ADDITIONAL MATTERS DEALING WITH PHASED COMMUNITY & MASTER ASSOCIATION

Section 12.1 ANNEXATION OF ADDITIONAL PROPERTY OR REMOVAL OF PROPERTY. The Developer shall have the right to annex additional property into the Property and designate the use of such property or any portion of the property (e.g., Lots or Common Area) by the filing of an amendment, addendum or supplement to this Declaration describing the property annexed and imposing this Declaration upon such property or any portion of the property. All property annexed in this manner shall be a part of the Property and Community as fully as if it had been a part thereof from the filing of this Declaration. As property is added to the Community, the Lots, if any, comprising such additional property shall be counted for the purpose of voting rights. So long as the Developer owns any portion of the Property, the Developer shall have the right to remove portions of the Property from the operation of the Declaration by filing an amendment, addendum or supplement to this Declaration describing the portion of the Property removed and releasing said portion from this Declaration.

Section 12.2 CREATION OF A MASTER ASSOCIATION. The Developer or the Board of Directors, When Empowered, may create an incorporated or unincorporated Master Association for the purpose of owning property and/or for the purpose of maintaining and operating some or all of the Common Area within the Community, Area of Common Responsibility or area under a Cost Sharing Agreement and upon its creation may delegate or assign part or all of the responsibilities and authority of this Association, either permanently or

temporarily, to that Master Association or make this Association a Sub-Association of that Master Association or create additional Neighborhoods or Specific Purpose Areas within the Community, all without notice to or the consent of any Owner. In the event a Master Association is created by the Developer or the Board of Directors, When Empowered, the Association shall participate in the Master Association in such capacity as set forth in the Master Association's governing documents, and the Master Association shall be able to fully enforce the covenants and restrictions contained in its Declaration and contained in this Declaration against any and all Owners in the Community and against the Association, if provided for in the governing documents of the Master Association. The establishment of Neighborhoods, Neighborhood Architectural Control Authorities, Specific Purpose Areas, or Specific Purpose Committees, if and when designated, shall not be construed as creating a Master Association or Sub-Associations, unless expressly created and recognized as such by the Developer or the Association, When Empowered. A Cost Sharing Agreement does not create a Master/Sub relationship and the terms of the Cost Sharing Agreement shall control any relationship arising therefrom.

Section 12.3 DEVELOPER'S APPOINTMENT AND REMOVAL POWER; BOARD OF DIRECTORS. The affairs of the Association shall at all times be managed by a Board of Director. When the Developer has its Class "B" Membership, the Developer shall have the authority to appoint the Directors. When the Developer has Class "B" Membership, the Developer may, in its sole and absolute discretion, authorize the Association to elect Director(s). Any such authorization to appoint or elect Director(s) may be permanent in nature, in which case the election of Directors by the Members of the Association shall occur in accordance with the By-Laws, or may be temporary or authorize the Members to elect Directors in a manner such that the Directors, when elected, are then appointed by the Developer. If the authorization is permanent in nature, such authorization shall be in writing and shall state that the Developer specifically relinquishes its authority to appoint one or more Directors. Otherwise, any authorization shall not be deemed to constitute a waiver of the Developer's right to appoint or remove Director(s). At any time, any Director(s) appointed by the Developer may only be removed from the Board, with or without cause, by the Developer, by giving written notice of removal to the Director and either the remaining members of the Board of Directors or the Association's President or Secretary.

## ARTICLE XIII
## GENERAL PROVISIONS

Section 13.1 DURATION. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the sole benefit of and be enforceable by the Developer, so long as the Developer owns any portion of the Property, and thereafter to the Association. All covenants, conditions, limitations, restrictions, obligations and rights set forth in this Declaration, as the same may be amended from time to time, shall be binding and run with the land and continue until twenty one (21) years from the date of execution hereof, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by two-thirds (2/3) of the then Owners affected by the same has been recorded, agreeing to change the same in whole or in part; provided, however, that all property rights and other rights reserved to the Developer shall continue forever to the Developer, except as otherwise herein provided.

Section 13.2 NOTICE. Any notice required to be sent to any Member or Owner under the provision of this Declaration and service of any legal proceedings shall be deemed to have been properly sent and received when personally delivered or mailed, postpaid, to the last known address of the person who appears as that person authorized to receive notice or to vote as shown on the records of the Association at the time of such mailing. Any such notice shall be deemed validly given if provided in English, unless otherwise approved by the Board of Directors. It shall be the responsibility of an Owner to have notices or other correspondence translated to the language of their origin or language of common usage. The Developer or the Association, When Empowered, shall in no event bear any responsibility or cost for providing translators or translated notices.

It shall at all times be the responsibility of any Owner to file written notice with the Association of the name and address of the person authorized to receive notification from the Association or the Developer as to Assessments, or infractions of the Regulations. Proof of the authority to receive notice and to vote shall be presented to the Association in the form of a certificate signed by the Owner of a Lot or HUD Settlement. Such certificate shall be deemed valid until revoked by a subsequent certificate. The Association does not have to send notice or service to any other address. If the Owner does not file such certificate, the notice or service shall be sufficient if delivered, posted or mail post paid to the Lot.

Section 13.3 SETTLEMENT STATEMENT AUTHORIZATION. The Owner by acceptance of the deed authorizes and directs the closing attorney to provide the Association with a copy of the Settlement Statement from the closing transferring the Lot and/or Dwelling to the Owner.

Section 13.4 SEVERABILITY. In the event that any one or more of the provisions of this Declaration, including, without limitation, any of the foregoing conditions, covenants, restrictions, or reservations, shall be declared for any reason by a court of competent jurisdiction to be null and void, such judgment or decree shall not in any manner whatsoever effect, modify, change, aberrant, or nullify any of the provisions of this Declaration not so declared to be void but all remaining provisions of this Declaration not so expressly held to be void shall continue unimpaired and in full force and effect.

Section 13.5 AMENDMENT.

(a) The Developer reserves the right, from time to time in its sole discretion without the consent of the Owners, their mortgagees, or the Association, to amend, alter or delete the minimum square footage requirements as established by the Developer or as set out in the Architectural Guidelines and Regulations.

(b) In addition to any other manner herein provided for the amendment of this Declaration, this Declaration, including without limitation, the covenants, restrictions, easements, charges, and liens set forth herein, may be amended, amended and restated, changed, added to, derogated or deleted at any time and from time to time upon the execution and recordation of any instrument executed by Owners holding not less than a majority of votes of the Members, provided that when the Developer has Class "B" Membership, the Developer's prior written consent to any such amendment to the

Declaration or any amendment to the By-Laws and the Regulations including Architectural Guidelines, builder building requirements must be obtained; provided, further, that the provisions for voting of Class "A" and Class "B" Members as herein contained in this Declaration shall also be effective in voting changes in this Declaration.

(c) Without limiting the foregoing, the Developer or the Board of Directors, When Empowered, shall, at any time and from time to time, as they see fit, have the right to cause this Declaration to be amended to correct any clerical or scrivener's error(s).

(d) In addition, any provision of this Declaration which contradicts the requirements of the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") or the Federal National Mortgage Corporation ("FNMC") or any other insurer or purchaser of mortgage secured by the Lots, as the same may be amended from time to time, shall be automatically deemed amended and modified so as to comply with such requirements if one or more Owners obtains FHA, VA, or FNMC financing and the Developer or the Board of Directors, When Empowered, consents in writing. Without limiting the foregoing, if required to effect any amendments made pursuant to the previous sentence, the Developer or the Board of Directors, When Empowered, shall, at any time and from time to time, as they see fit, have the right to cause this Declaration to be amended.

(e) Notwithstanding the above-stated amendment rights, under no circumstances shall the Owners, the Association, When Empowered, or its Board of Directors, When Empowered, amend this Declaration, the By-Laws or the Regulations so as to delete, lessen, or otherwise negatively affect the rights granted or reserved to the Developer in this Declaration, the By-Laws or the Regulations, and if any amendments are passed and recorded in violation of this Section, such amendments shall be null and void.

Section 13.6 AMENDMENT BY DEVELOPER. In addition to any other right to amend as set out herein, until the termination of Developer's Class "B" Membership or upon reinstatement of the Developer's Class "B" Membership as a result of the annexation of additional property into the Community, but not the reacquisition of a Lot or Lots previously owned by the Developer, this Declaration, including without limitation, the covenants, restrictions, easements, charges, and liens set forth herein, the By-Laws and the Regulations including, but not limited to, Architectural Guidelines and builder building requirements may be amended, amended and restated, changed, added to, derogated or deleted by the Developer, from time to time in its sole discretion without the consent of the Owners, their mortgagees, or the Association, by the execution and recordation of any instrument executed by the Developer. Subject to the Declaration, every purchaser or grantee of any Lot or Common Area now and hereafter, by acceptance of a deed or other conveyance thereof, agrees that the Declaration may be amended or otherwise changed as provided herein and such amendment shall be applicable to and binding upon the Owners and the Lots. At the option and sole discretion of the Developer, any and all amendments to this Declaration made under the authority of this Section may apply: (i) upon the day of execution or recording; (ii) retroactively to the date of this Declaration or to some other specified date in the amendment; or (iii) prospectively to some specified date in the amendment. The Developer may, from time to time in its sole discretion without the consent of

the Owners, their mortgagees, or the Association also amend or terminate any Cost Sharing Agreement, any and all amendments to a Cost Sharing Agreement made under the authority of this Section may apply: (i) upon the day of execution or recording; (ii) retroactively to the date of the Cost Sharing Agreement or to some other specified date in the amendment; or (iii) prospectively to some specified date in the amendment.

Section 13.7 AMENDMENT OF PLATS. In addition to any other right to amend as set out herein, until the termination of Developer's Class "B" Membership or upon reinstatement of the Developer's Class "B" Membership as a result of the annexation of additional property into the Community, but not the reacquisition of a Lot or Lots previously owned by the Developer, the Plats, including without limitation, any covenants, restrictions, easements, charges, and liens set forth therein may be amended, amended and restated, changed, added to, derogated or deleted by the Developer, from time to time in its sole discretion without the consent of the Owners, their mortgagees, or the Association, by the recordation by the Developer of any plat amended, supplementing or replacing any of the existing Plats. Every purchaser or grantee of any Lot or Common Area now and hereafter, by acceptance of a deed or other conveyance thereof, agrees that the Plats may be amended or otherwise changed as provided herein and such amendment shall be applicable to and binding upon the Owners and the Lots. At the option and sole discretion of the Developer, any and all amendments to the Plats made under the authority of this Section may apply: (i) upon the day of execution or recording; (ii) retroactively to the date of this Declaration or to some other specified date in the amendment; or (iii) prospectively to some specified date in the amendment.

Section 13.8 EFFECTIVE DATE. This Declaration shall become effective upon its recordation with the Register of Deeds.

Section 13.9 PAID PROFESSIONAL MANAGER. The Developer or the Board of Directors, When Empowered, may employ a manager or managerial firm to supervise all work, labor, services, and material required in the operation and maintenance of the Common Area and in the discharge of the Association's duties throughout the Community.

Section 13.10 BINDING EFFECT. This Declaration shall inure to the sole benefit of the Developer for so long as the Developer owns any portion of the Property, and thereafter to the Association. This Declaration shall be binding upon the parties hereto, including without limitation all Owners, and the purchasers of Lots, their heirs, personal representatives, successors and assigns.

Section 13.11 WAIVER. The failure to enforce any rights, reservations, restrictions, or conditions contained in this Declaration, however long continued, shall not be construed to constitute a precedent or 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.

Section 13.12 ATTORNEYS' FEES AND COST. Should the Developer or the Association employ counsel to enforce the Declaration, or the Regulations or to bring an action for damages, injunction or declaratory judgment or any other action at law or in equity because of a breach of the same including, but not limited to, collection or attempted collection of

Assessments, all Costs of Collection incurred in such enforcement or action, including a reasonable fee for the Developer's or the Association's counsel, shall be paid by the Owner of such Lot or Lots in breach thereof. Should the Developer or the Association, When Empowered, find it necessary to bring an action for Declaratory Judgment or to appear in an action for Declaratory Judgment or any other action at law or in equity, the Developer and the Association, When Empowered, shall be entitled to all Costs of Collection, including but not limited to, attorneys' fees and cost, from the party who questioned the Developer's or the Association's. When Empowered, interpretation of this Declaration, the By-laws or the Regulations or the enforceability of the same.

Section 13.13 NO CONSTRUCTION AGAINST ANY OWNER OR ASSOCIATION. Each Owner, having been given an opportunity to review this Declaration prior to its recording and/or having purchased its Lot(s) with this Declaration of public record and recorded against such Lot(s), is deemed to have accepted the terms of this Declaration. In the event of any dispute over the interpretation of this Declaration, any rule of construction requiring that the Declaration be construed in favor of or against any Owner, the Developer or the Association shall not be applicable.

Section 13.14 DEVELOPER LIABILITY AND HOLD HARMLESS. The Developer herein shall not, in any way or manner, be liable or responsible for any violation of the Declaration by any person other than itself. The Owners and the Association shall hold harmless the Developer from any liability, loss or cost arising out of their or their Permittees' violation of the Declaration.

Section 13.15 SAFETY AND SECURITY. **Each Owner and their respective Permittees, shall be responsible for their own personal safety and the security of their property in the Community. The Developer and the Association, When Empowered, shall have no duty to enhance the level of safety or security which each person provides for himself or herself and his or her property, nor shall the Developer or the Association, When Empowered, have any duty to respond to a safety or security problem if provided notice of such, although nothing herein shall prevent the Developer or the Association, When Empowered, from voluntarily (1) passing on such notification to the proper law enforcement or governmental authorities, (2) responding in some other manner to protect safety or security, or (3) taking action to enhance the level of safety or security in the Community. Neither the Developer nor the Association, When Empowered, shall in any way be considered insurers or guarantors of safety or security with the Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or failure to respond adequately to a security problem or the dangerous or hazardous condition of the Property. Each Owner acknowledges, understands, and shall be responsible for informing its Permittees that the Developer, the Association, When Empowered, and its Board of Directors and Committees are not insurers or guarantors of security or safety and that each person with the Community assumes all risks of personal injury and loss or damage to property, including Dwellings and the contents therein, resulting from acts of third parties or from any dangerous or hazardous condition. Each Owner also acknowledges, understands, and shall inform its Permittees that they are responsible for contacting the appropriate public authorities directly when safety or security problems arise.**

Section 13.16 TIME REDUCTION. In the event that any of the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which same shall be effective, then and in that event such terms 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 provisions shall be fully effective for such period of time.

Section 13.17 BINDING ARBITRATION. Each Owner, by acceptance of a deed for a Lot, agrees that any dispute arising out of the use, occupancy, or ownership of a Lot or the Common Area or the interpretation or enforcement of this Declaration, the Regulations or the By-Laws or any provision hereof or thereof shall be settled by binding arbitration pursuant to the South Carolina Uniform Arbitration Act (S.C. Code Ann. §§ 15-48-10 et seq.), as amended. The Developer and the Association shall have the right to pursue such remedies as are available to it at law or in equity and shall not be bound by this mandatory binding arbitration provision. The arbitration requirement does not limit the right of any party to (i) foreclose any lien against real or personal property created pursuant to this Declaration; (ii) exercise self-help remedies relating to the Property provided for in this Declaration; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding.

Section 13.18 ASSIGNABILITY OF RIGHTS AND POWERS. By the filing of a document with the Register of Deeds or by providing notice, the Developer or the Association, When Empowered, may assign, either permanently or temporarily or in part or in whole, any or all of the rights and powers granted or arising from the Declaration to one or more entities or persons without the consent of any Owner. The Developer or the Association, When Empowered, may delegate any of the above-stated powers and rights to the same extent as it may assign them without any recording or notice requirements.

Section 13.19 EMINENT DOMAIN. The term "Taking" as used in this Section means condemnation pursuant to the South Carolina Eminent Domain Procedures Act or sale under threat of condemnation. In the event of a threatened Taking of all or any portion of the Common Area, the Owners appoint the Developer, or the Board of Directors, When Empowered, to act as attorney-in-fact for all Owners in the proceedings incident to the Taking unless otherwise prohibited by law. No Owner, by virtue of his Lot ownership or membership in the Association, shall be entitled to independently participate as a party in any condemnation proceedings or directly participate in any condemnation award. The Developer, or the Board of Directors, When Empowered, shall have the right to make a voluntary sale to the condemnor in lieu of engaging in the condemnation action. Any awards received as a result of the Taking shall be paid to the Association. The Developer, or the Board of Directors, When Empowered, without the necessity of a vote of the membership of the Association, may (1) retain any award in the general funds of the Association, (2) use such award for the restoration or replacement of any Common Area improvements affected by the Taking, or (3) distribute the proceeds in any such manner as the Developer or the Board of Directors, When Empowered, deems appropriate. Notwithstanding the foregoing, this Section shall in no way limit or impair the Developer's right, in its sole discretion, to remove the property which is subject of the Taking from the Community pursuant to the authority granted in Section 12.1 herein and to retain any proceeds deposited with the court as a result of the Taking.

## ARTICLE XIV
## SETTLEMENT AGREEMENT AND OTHER AGREEMENTS

Section 14.1 SETTLEMENT AGREEMENT, RIGHTS AND OBLIGATIONS. There is a Settlement Agreement Between Stiles Point Plantation Homeowners Association and The Stiles Point Company and Mungo Homes Coastal Division, LLC dated September 22, 2015 and recorded in the Charleston County RMC Office on January 7, 2016 in Book 0527 at Page 945. which places certain obligations and restrictions on the Association and the Members. These obligations and restrictions are more fully set out in the documents attached to the Settlement Agreement and listed on Exhibit "B This Article will restate some of the obligations and restrictions for clarity, but the terms of such documents will control

Section 14.2 AMENITY IN STILES POINT PLANTATION, RIGHTS AND OBLIGATIONS. The Joint Use Amenity Agreement by and between Stiles Point Plantation Homeowners Association, a South Carolina non-profit corporation, a/k/a Stiles Point Plantation Property Owners Association and Villages at Stiles Point Homeowners Association, Inc., a South Carolina non-profit corporation, dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 947 provides for the use by the Association's Members of the Stiles Point Plantation Home Owners Association's amenity area located adjacent to the Community and shown on the plat attached to said Agreement. It also requires the Association to pay assessments for the maintenance, repair and replacement of the amenity and any improvements thereto. The assessments are determined annually as set out in said Agreement and are binding on the Association and the Members. These assessments shall be part of the annual budget of the Association and shall be enforceable by the Association in the same manner as the other Assessments. Failure to pay the assessments will allow the Stiles Point Plantation Homeowners Association to suspend the Association's Members right to use the amenity or either party to terminate the Agreement. The Stiles Point Plantation Home Owners Association shall set rules and regulations concerning the use of the amenity and these rules shall be enforceable by the Stiles Point Plantation Home Owners Association and by the Association against the Members. Failure of the Association to abide by the Agreement or pay the assessments, allows the Stiles Point Plantation Home Owners Association to terminate the Agreement. The Stiles Point Plantation Homeowners Association has the authority to construct improvements on the amenity as it determines in its sole discretion are desired. The Developer, or the Board, When Empowered may terminate the Agreement or cost thereof and rights, thereunder, if the Developer, or the Board, When Empowered, determines that the proposed improvements to the amenity are not reasonable, in their sole discretion. This Article will restate some of the obligations and restrictions for clarity, but the terms of such documents will control

Section 14.3 SPPHOA DRAINAGE, RIGHTS AND OBLIGATIONS. The following documents provide for the drainage of stormwater into the Stiles Point Plantation Pond and contain obligations and limitations on the use of these drainage facilities. The City of Charleston has agreed to accept the maintenance of the storm drainage facility, which through two pipes under Old Plantation Road through the ditch into the Pond as shown on the Drawings and plats attached to the documents. The acceptance of the drainage by the City of Charleston was subject to the requirement that the Stiles Point Planation Homeowners Association and the Association be obligated to provide maintance, repair and replacement of the Fresh Water Lake

the Dam, and the Weir, as spelled out in the following documents. The Stiles Point Plantation Homeowners Association shall maintain the Fresh Water Lake in accordance with the terms of the Covenants for Permanent Maintenance of Stormwater Facilities between The Stiles Point company, Mungo Homes Coastal Division, LLC, Stiles Point Plantation Homeowners Association a/k/a Stiles Point Plantation Property Owners Association and the City of Charleston dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 95 and the Association shall contribute it prorata proportion as set out in the Joint Maintenance Agreement for Freshwater Lake by and between Stiles Point Plantation Homeowners Association, a South Carolina non-profit corporation, a/k/a Stiles Point Plantation Property Owners Association; Mungo Homes Coastal Division, LLC; and The Stiles Point Company, a South Carolina limited partnership, dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 957.

These documents also provide for the construction on the Weir and for the maintenance, repair and replacement of the Weir by the Association. The Association shall establish such Reserves for the repair and replacement of the Weir as the Developer or the Board of Directors, When Empowered, determine in their sole discretion necessary for such repair and replacement.

The documents are as follows: (a) Covenants for Permanent Maintenance of Stormwater Facilities between The Stiles Point company, Mungo Homes Coastal Division, LLC, Stiles Point Plantation Homeowners Association a/k/a Stiles Point Plantation Property Owners Association and the City of Charleston dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 956; (b) Drainage Easement and Maintenance Agreement by and between The Stiles Point Company, a South Carolina limited partnership; Mungo Homes Coastal Division, LLC, a limited liability company duly formed in accordance with the laws of the state of South Carolina; and Stiles Point Plantation Homeowners Association, a South Carolina non-profit association (a/k/a Stiles Point Plantation Property Owners Association), dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 958; and (c) Joint Maintenance Agreement for Freshwater Lake by and between Stiles Point Plantation Homeowners Association, a South Carolina non-profit corporation, a/k/a Stiles Point Plantation Property Owners Association; Mungo Homes Coastal Division, LLC; and The Stiles Point Company, a South Carolina limited partnership, dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 957.

This Article will restate some of the obligations and restrictions for clarity, but the terms of such documents will control

Section 14.4 KEYES ACCESS, RIGHTS AND OBLIGATIONS. The Access Easement Agreement entered into as of the 11th day of February, 2016, by and between Cynthia C. Keyes as Trustee of the Cynthia C. Keyes Trust ("Grantor"), and Stiles Point Developers, LLC, a South Carolina limited liability company ("SPD"), and Stiles Point Plantation Homeowners Association a/k/a Stiles Point Plantation Property Owners Association ("SPPHOA)", sometimes collectively referred to as "Grantees" and individually "Grantee" and recorded February 12, 2016, in the RMC Office for Charleston County, South Carolina in Book 0534 at Page 743 provides access over the Keyes lot to construct and maintain, repair and

replace the Weir and the Dam. It contains limitations on the time and manner of use and requirements that the Keyes' property be repaired after each use and that the user indemnify the Keyes from any lost arising out of the use. This Article will restate some of the obligations and restrictions for clarity, but the terms of such documents will control.

Section 14.5 LAWTON'S BLUFF AND LAKE SHORE COMMONS DRAINAGE RIGHTS AND OBLIGATIONS. Some of the stormwater drainage runs north into the existing drainage ditches over, under and through the lots in Harbor Oaks, as shown on the attached Exhibit "C", Lawton's Bluff, Lake Shore Commons and Lake Francis Drive, which empty into Lake Francis. There are no formal agreements granting the right to use these ditches, however these ditches and the drainage therein have existed for many years and are shared with the owners of those properties. If maintenance, repair or replacement is required in the future, the Association may be required to contribute to the cost of such, based on the percentage of its use of the ditches. The drainage areas are more fully described on Exhibit "A" as Parcels 3 and 5.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed by its proper officers and its seal to be affixed thereto on the day and year first above written.

SIGNED SEALED AND DELIVERED
in the presence of:

DEVELOPER:

**Stiles Point Developers, LLC**

**By:** _____ **(*L.S.*)**
**Name: James L. McLoud**
**Title: Authorized Agent**

STATE OF SOUTH CAROLINA )
) ACKNOWLEDGMENT
COUNTY OF Charleston )

I, Patrice Robertson, Notary Public for the State of South Carolina, do hereby certify that the above-signed authorized signatory for Stiles Point Developers, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Sworn and subscribed before me this
15th day of December, 2016

(*SEAL*)

Notary Public for South Carolina
My Commission Expires: February 6, 2024

PATRICE ROBERTSON NOTARY PUBLIC SOUTH CAROLINA My Comm. Exp. 02-06-2024

73 71

PPAB 3509694v7
12/09/2016

PPAB 3509694v10

**EXHIBIT "A"**
LEGAL DESCRIPTION

**PARCEL 1 (31.048 ACRES)**

ALL that certain piece, parcel or tract of land, situate, lying and being in the City and County of Charleston, State of South Carolina, shown and designated as "31.048 Total Acres (Including Castle Pinckney Drive)" on that certain plat prepared by HLA, Inc. entitled, "Boundary Survey Showing TMS No. 426-00-00-003 Containing 31.048 Acres Property of the Stiles Point Company Located in the City of Charleston, Charleston County, South Carolina," dated January 24, 2014, and recorded August 27, 2015, in the RMC Office for Charleston County, South Carolina in Plat Book L15 at Page 0408.

AND

**PARCEL 2 (40' DRAINAGE EASEMENT)**

The non-exclusive rights, easements and privileges of use, ingress and right of way for drainage and retention and public and private utility purposes created and granted as appurtenances to the parcel above described, shown as 40' Drainage Easement created by Stiles Point Company and set forth on that certain plat prepared by Curtis W. Lybrand, Jr., CE and LS, entitled, "Plat Showing Old Plantation Road and Castle Pinckney Drive, James Island, Charleston County, South Carolina," dated June 6, 1983, and recorded July 7, 1983 in the RMC Office for Charleston County, South Carolina in Plat Book AX at Page 160; also benefitting the Development tract across certain lots identified as Lot 65 as shown on that plat prepared by Engineering, Surveying & Planning, Inc., dated November 7, 1986 and recorded in the RMC Office in Plat Book BM at Page 40; Lots 59, 58, 57, 56, 55 and 54 of Block A as shown on that plat prepared by Stantec Consulting Services, Inc., dated July 23, 2001 and recorded in the RMC Office in Plat Book EF at Page 67; Lots A, B and C as shown on that plat prepared by HLA Inc., dated July 7, 2009 and recorded in the RMC Office in Plat Book L09 at Page 0340; and Parcel A as shown on that plat prepared by HLA, Inc., dated May 29, 2009 and recorded in the RMC Office in Plat Book L09 at Page 0339.

TOGETHER WITH all rights as set forth in that (i) certain Drainage Easement and Maintenance Agreement by and between The Stiles Point Company, a South Carolina limited partnership; Mungo Homes Coastal Division, LLC, a limited liability company duly formed in accordance with the laws of the state of South Carolina; and Stiles Point Plantation Homeowners Association, a South Carolina non-profit association (a/k/a Stiles Point Plantation Property Owners Association), dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 958.(ii) that certain Joint Maintenance Agreement for Freshwater Lake by and between Stiles Point Plantation Homeowners Association, a South Carolina non-profit corporation, a/k/a Stiles Point Plantation Property Owners Association; Mungo Homes Coastal Division, LLC; and The Stiles Point Company, a South Carolina limited partnership, dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 957;

AND

**PARCEL 3 (25' DRAINAGE EASEMENT)**

The non-exclusive rights, easements and privileges of use, ingress and right of way for drainage and retention and public and private utility purposes created and granted as appurtenances to the parcel above described, shown as 25' Drainage Easement on that certain plat prepared by E.M. Seabrook, Jr., entitled, "LAWTON BLUFF, CITY OF CHARLESTON, JAMES ISLAND, S.C., PLAT OF A 11.53 ACRE TRACT SITUATE ON HARBOR VIEW ROAD," dated April 18, 1984, and recorded April 19, 1984, in the RMC Office for Charleston County, South Carolina in Plat Book AZ at Page 175.

AND

**PARCEL 4 (SEWER EASEMENT)**

The non-exclusive rights, easements and privileges of use, ingress and right of way for drainage and retention and public and private utility purposes created and granted as appurtenances to the parcel above described, as created by that certain Grant of Sewer Easement from Stiles Point Plantation Homeowners Association (a/k/a Stiles Point Plantation Property Owners Association) to Mungo Homes Coastal Division, LLC, dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 948.
TOGETHER WITH all rights as set forth in (ii) that certain Joint Use Amenity Agreement by and between Stiles Point Plantation Homeowners Association, a South Carolina non-profit corporation, a/k/a Stiles Point Plantation Property Owners Association and Villages at Stiles Point Homeowners Association, Inc., a South Carolina non-profit corporation, dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 947.

AND

**PARCEL 5 (20' DRAINAGE EASEMENT)**

The non-exclusive rights, easements and privileges of use, ingress and right of way for drainage and retention and public and private utility purposes created and granted as appurtenances to the parcel above described, shown as 20' Drainage Easement on that certain plat prepared by Forsberg Engineering & Surveying, Inc., entitled, "PLAT OF AN EXISTING 0.749 ACRE TRACT PART OF LAKE SHORE COMMONS, CITY OF CHARLESTON, CHARLESTON COUNTY, S.C.," dated September 11, 1989, and recorded November 8, 1989, in the RMC Office for Charleston County, South Carolina in Plat Book BX at Page 150.

**EXHIBIT "B"**
**Settlement Agreements and Other Agreements**

1. **The Settlement Agreement** made and entered into 22th day of September 2015, by and between the Stiles Point Plantation Homeowners Association (a/k/a Stiles Point Plantation Property Owners Association) (sometimes referred to as "SPPHOA"), The Stiles Point Company (sometimes referred to as "Stiles Point") and Mungo Homes Coastal Division, LLC (sometimes referred to as "Mungo Homes") recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 945.

2. **Covenants for Permanent Maintenance of Stormwater Facilities** between The Stiles Point company, Mungo Homes Coastal Division, LLC, Stiles Point Plantation Homeowners Association a/k/a Stiles Point Plantation Property Owners Association and the City of Charleston dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 956;

3. **Drainage Easement and Maintenance Agreement** by and between The Stiles Point Company, a South Carolina limited partnership; Mungo Homes Coastal Division, LLC, a limited liability company duly formed in accordance with the laws of the state of South Carolina; and Stiles Point Plantation Homeowners Association, a South Carolina non-profit association (a/k/a Stiles Point Plantation Property Owners Association), dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 958;

4. **Joint Maintenance Agreement for Freshwater Lake** by and between Stiles Point Plantation Homeowners Association, a South Carolina non-profit corporation, a/k/a Stiles Point Plantation Property Owners Association; Mungo Homes Coastal Division, LLC; and The Stiles Point Company, a South Carolina limited partnership, dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 957;

5. **Grant of Sewer Easement** from Stiles Point Plantation Homeowners Association (a/k/a Stiles Point Plantation Property Owners Association) to Mungo Homes Coastal Division, LLC, dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 948;

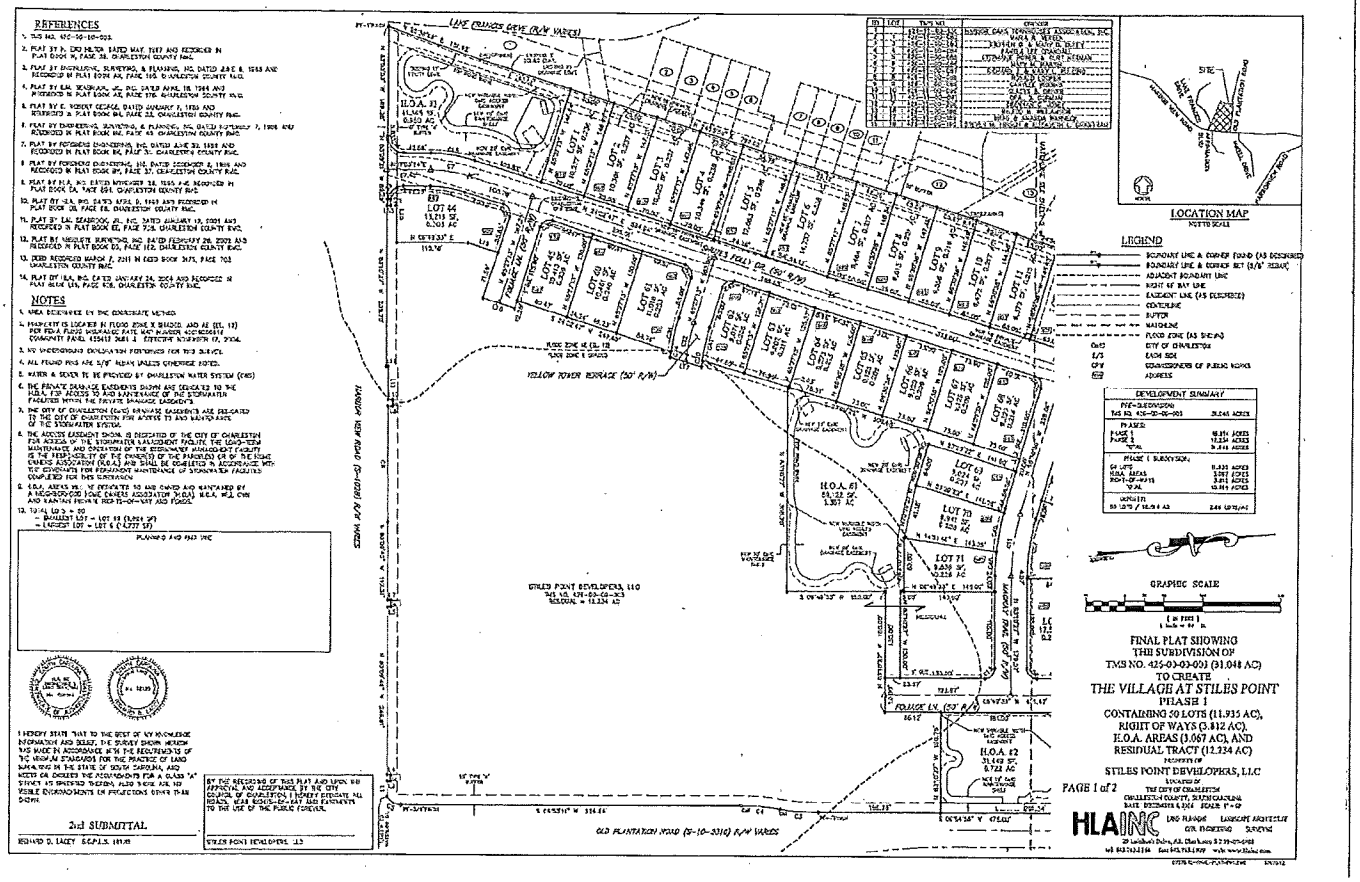
6. **Joint Use Amenity Agreement** by and between Stiles Point Plantation Homeowners Association, a South Carolina non-profit corporation, a/k/a Stiles Point Plantation Property Owners Association and Villages at Stiles Point Homeowners Association, Inc., a South Carolina non-profit corporation, dated September 22, 2015, and recorded January 7, 2016, in the RMC Office for Charleston County, South Carolina in Book 0527 at Page 947;

7. **Grant of Easement from The Stiles Point Plantation Property Owners Association a/k/a Stiles Point Plantation Homeowners Association in favor of the Commissioners of Public Works of the City of Charleston, South Carolina**, executed by The Stiles Point Plantation Property Owners Association on September 22, 2015, and to be executed by Commissioners of Public Works of the City of Charleston, South Carolina, upon completion of

the sewer and recorded in the RMC Office for Charleston County, South Carolina, providing for a 20' sewer easement as shown on that certain preliminary plat prepared by HLA, Inc., entitled, "PRELIMINARY PLAT SHOWING A PROPOSED 20' CWS SEWER EASEMENT ACROSS TMS NO. 426-16-00-118 (CONTAINING 0.22 ACRES) PROPERTY OF STILES POINT PLANTATION PROPERTY OWNERS ASSOCIATION, LOCATED IN THE CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA," dated March 28, 2014, and t recorded in the aforesaid RMC office; and

8. **Access Easement Agreement** entered into as of the 11th day of February, 2016, by and between Cynthia C. Keyes as Trustee of the Cynthia C. Keyes Trust ("Grantor"), and Stiles Point Developers, LLC, a South Carolina limited liability company ("SPD"), and Stiles Point Plantation Homeowners Association a/k/a Stiles Point Plantation Property Owners Association ("SPPHOA)", sometimes collectively referred to as "Grantees" and individually "Grantee" and recorded February 12, 2016, in the RMC Office for Charleston County, South Carolina in Book 0534 at Page 743

# EXHIBIT "C"


REFERENCES
NOTES
LOCATION MAP
LEGEND
DEVELOPMENT SUMMARY
GRAPHIC SCALE
FINAL PLAT SHOWING
THE SUBDIVISION OF
TMS NO. 425-03-03-003 (31.048 AC)
TO CREATE
THE VILLAGE AT STILES POINT
PHASE 1
CONTAINING 50 LOTS (11.935 AC),
RIGHT OF WAYS (3.812 AC),
H.O.A. AREAS (3.067 AC), AND
RESIDUAL TRACT (12.234 AC)
PROPERTY OF
STILES POINT DEVELOPERS, LLC
PAGE 1 of 2
2nd SUBMITTAL
HLA INC

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