

DK L 338PG031

**PARKERS LANDING**

**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS**

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR PARKERS LANDING

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARKERS LANDING is made this 29th day of October 1999, by Ginn-LA Parkers Island, L.P. Georgia.

WITNESSETH

WHEREAS, Declarant is the owner of certain real property located in Charleston County, South Carolina, and more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference; and

WHEREAS, the community of Parkers Landing is planned to evolve into a community with varying and divergent interests, a mixed-use community under the River Island Planned Development District (P.D.D.) Ordinance adopted by the Town of Mount Pleasant, South Carolina.

WHEREAS, Declarant deems it to be in the best interest of the community to be developed within the property more particularly described in Exhibit "A", as it exists today and as it shall evolve in the future, to establish Covenants, Conditions and Restrictions to promote efficiencies in administering the various interests which may be represented by property owners within a mixed-use community such as is permitted by the P.D.D. and to provide a flexible mechanism for the administration and maintenance of community facilities, amenities and services which are for the common use and benefit of all property owners.

NOW, THEREFORE, Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as may be added by subsequent amendment hereto, and in accordance with the terms and conditions hereof, is subjected to this Declaration of Covenants, Conditions and Restrictions for Parkers Landing, and shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the following easements, restrictions, covenants, charges, liens, and conditions which are for the purpose of protecting the value and desirability of, and which shall touch and concern and run with title to, the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described properties or any portion thereof, and their respective heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1. DEFINITIONS

1.1 Definitions. When used in this Declaration, unless the context shall prohibit or otherwise require, the following words, shall have all the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

- (a) "Act" shall mean and refer to the South Carolina Nonprofit Corporation Act of 1994, South Carolina Code Sections 33.3 and 10.1.

- (b) "Additional Property" shall mean and refer to the real property as may be added pursuant to Section 2.2, and all improvements thereon.
- (c) "Architectural Review Board" shall mean and refer to the board established herein to approve exterior and structural improvements, additions, and changes within the Development as provided in Article 4.
- (d) "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of Parkers Landing Property Owners Association, as amended from time to time.
- (e) "Assessment" shall mean and refer to an Owner's share of the Common Expenses or other charges from time to time assessed against an Owner by the Association in the manner herein provided.
- (f) "Association" shall mean and refer to Parkers Landing Property Owners Association, a South Carolina not-for-profit corporation.
- (g) "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.
- (h) "By-Laws of the Association" or "By-Laws" shall mean and refer to those By-Laws of Parkers Landing Property Owners Association, which govern the administration and operation of the Association, as may be amended from time to time. Upon adoption of the final form of By-Laws by the Association, the same shall be attached to a Supplemental Declaration hereto and filed Of Record in the R.M.C. Office for Charleston County, South Carolina.
- (i) "Commercial Association" shall mean and refer to a corporation or an unincorporated association whose shareholders or members are comprised entirely of Owners of Commercial Units within a Commercial Site.
- (j) "Commercial Declaration" shall mean and refer to any instrument or document, and any amendments thereto, which is filed Of Record with respect to any Commercial Units or the unimproved portions of any Commercial Site and which creates a condominium or horizontal property regime for such Commercial Units or imposes covenants, conditions, easements, and restrictions with respect to such Commercial Site.
- (k) "Commercial Site" shall mean and refer to any unimproved parcel of land within the Property, Intended for Use as a site for improvements designed to accommodate commercial or business enterprises to serve residents of the Property and/or the public.. A parcel of land shall not be deemed to be a "Commercial Site" until such time as the exact metes and bounds of the site therefore have been surveyed and a plat thereof identifying or designating such property as a site for a Commercial Unit have been approved by the governmental authority with jurisdiction thereof and has been filed Of Record and further shall be deemed unimproved until the improvements being constructed on said parcel are complete and subject to Assessment as herein provided.
- (l) "Commercial Unit" shall mean and refer to any improved parcel of land within the Property, Intended for Use as a site for improvements designed to accommodate commercial or business enterprises to serve residents of the Property and/or the public. A parcel of land shall not be deemed to be improved until the improvements being constructed on said parcel are complete and subject to Assessment as herein provided.

(m) "Common Areas" shall mean and refer to all real and personal property now or hereafter deeded or leased to, or are the subject of a use agreement with, the Association, and wherein the property therein described is specifically denominated to be a part of the Common Areas. The Common Areas may include the Association's private roads, streets, road and street shoulders, parking lots, walkways, sidewalks, leisure trails, bike paths, street lighting, signage, and such maintenance and drainage areas, easements, lagoons, and ponds as shall not be maintained by the Master Association. The designation of any land and/or improvements as Common Areas shall not mean or imply that the public at large acquires any easement of use of enjoyment therein. Subject to the reservations to Declarant set forth herein, all Common Areas are to be devoted to and intended for the common use and enjoyment of the Declarant, Owners, and their respective guests, and visiting members of the general public (to the extent permitted by the Board of Directors of the Association, or required by the terms of any deed, lease, or use agreement) and subject to the fee schedules, if any, and operating rules adopted therefore. Any lands which are leased to, or are the subject of a use agreement with, the Association shall lose their character as Common Areas upon the expiration of such lease or use agreement; provided, however, any such lease or use agreement between the Declarant and the Association shall be extended in whole or in part, notwithstanding any termination provisions therein contained, to provide continued ingress and egress over the Association's private streets and roads to an Owner's property, subject to provisions for the payment of fees and costs for the operation of any security gates and maintenance of roadways by the Association; provided, further, an Owner's access will not be terminated for non-payment, but the Declarant shall have the same rights to file liens and the same remedies as the Association has pursuant to Sections 11.2 and 11.9 with respect to Assessments and Recreational Charges.

(n) "Covenants" shall mean and refer to these Parkers Landing Covenants, as amended, from time to time, by any Supplemental Declaration filed Of Record.

(o) "Common Expenses" shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of this Declaration.

(p) "Declarant" shall mean and refer to Ginn-LA Parkers Island, L.P. or any successor-in-title to the entire interest of such person with respect to the Property and the Additional Property at the time of such transfer to said successor-in-title, or any party designated Of Record to succeed to the rights of Declarant hereunder as to the matters set forth in such writing. In the exercise of all rights and privileges hereunder, the term "Declarant" shall also mean Ginn-LA Parkers Island General Partners and development manager, and until such time as an amendment hereto is filed Of Record amending, changing or deleting the within authorization to act in behalf of Ginn-LA Parker's Island, L.P.

(q) "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions for Parkers Landing and all amendments and supplements hereto filed Of Record.

(r) "Dependent Children" shall mean and refer to any Person's unmarried, dependent children under the age of twenty-five (25) who are either living at home with such Person or attending school on a full time basis.

- (s) "Development" shall mean and refer to the Property and all improvements located or constructed thereon, and being a part of the overall plan, from time to time existing hereunder, for the community known as "Parkers Landing."
- (t) "Development Unit Parcel" shall mean and refer to one or more pieces, parcels or tracts of property within the Property conveyed by the Declarant to third parties under covenants and restrictions permitting the division of any such piece, parcel or tract into smaller land units such as Lots, Neighborhood Areas, Multi-Family Tracts, or Commercial Sites. A parcel of land shall not be deemed to be a "Development Unit Parcel" until such time as the exact metes and bounds of the site therefore have been surveyed and a plat thereof identifying or designating such property as a "Development Unit Parcel" has been approved by the governmental authority with jurisdiction thereof and has been filed Of Record.
- (u) "Dwelling" shall mean and refer to any improved property intended for the use as a single-family detached dwelling or as a townhouse, condominium unit, or patio or cluster home, whether detached or attached, located within the Development.
- (v) "Foreclosure" shall mean and refer to, without limitation, the judicial foreclosure of a Mortgage or the conveyance of secured property by a deed in lieu of a judicial foreclosure.
- (w) "Intended for Use" shall mean and refer to the use intended for various parcels within the Property as shown on the Site Plan of the Property prepared by the Declarant, as the same may be revised from time to time by the Declarant, or the use to any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in deeds by which the Declarant has conveyed the property.
- (x) "Institutional Mortgage" shall mean and refer to a Mortgage held by a bank, trust company, insurance company, or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation.
- (Y) "Lease" shall mean and refer to any lease, sublease, or rental contract, whether oral or written.
- (Z) "Living Space" shall mean and refer to enclosed and covered areas within a Dwelling, exclusive of garages, carports, porches, terraces, balconies, decks, patios, courtyard, greenhouses, atriums, bulk storage areas, attics, and basements.
- (aa) "Lot" shall mean and refer to any unimproved portion of the Property upon which Dwelling Intended For Use as a single-family detached residence shall be constructed as such Lot is shown on the Site Plan. A parcel of land shall be deemed unimproved and thus considered to be a Lot, rather than a Dwelling, until the improvement constructed thereon is sufficiently complete to reasonably permit habitation thereof. Upon such completion, such parcel and the improvements thereon shall collectively be considered to be a Dwelling for purposes of this Declaration.
- (bb) "Master Association" shall mean and refer to the Parkers Island Master Association, with respect to which the Association is a "Subordinate Association" pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Parkers Island Master Association filed Of Record in Book and to which the Property is subject.

(cc) "Member" shall mean and refer to all those Owners who are Members of the Association as defined in Section 6. 11.

(dd) "Mortgage" shall mean and refer to a mortgage, security deed, deed of trust, installment lands sales contract, or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Lot, Dwelling, Multi-Family Tract, Commercial Site, Commercial Unit, Development Unit Parcel, or Unsubdivided Land.

(ee) "Mortgagee" shall mean and refer to the holder of a Mortgage.

(ff) "Multi-Family Tract" shall mean and refer to any unimproved parcel of land within the Property, Intended for Use as a site for a Neighborhood Area comprised of multi-family dwellings, including, without limitation, condominium regimes or apartments. A parcel of land shall not be deemed to be a "Multi-Family Tract" until such time as the exact metes and bounds of the site therefore have been surveyed and a plat thereof identifying or designating such property as a site for multi-family use have been approved by the governmental authority with jurisdiction thereof and has been filed Of Record and there shall be deemed unimproved until the improvements being constructed on said parcel are complete and subject to Assessment as herein provided.

(gg) "Neighborhood Area" shall mean and refer to any portion of the Property, separately developed and denominated by Declarant on the Site Plan therefore or in a Supplemental Declaration as a residential area comprised of one (1) or more housing types subject to this Declaration in which Owners of Lots or Dwellings therein, or the Occupants of any complex constructed within a Multi-Family Tract Intended for Use of Tenants, may have common interests other than those common to all Owners of the Declaration, the Additional Property which may be added pursuant to Section 2.21, or any portion thereof, together with all improvements thereon.

(hh) "Recreational Amenities" shall include such recreational facilities and improvements as are, from time to time, located within and a part of the Common Areas and the easement areas established pursuant to Section 5.8', and as are specifically designated in writing by the Declarant and/or the Association as being Recreational Amenities, including such amenities as parks, lagoons, leisure trails, bike paths, and mini-farms or garden plots, and such other facilities and services as may be designated by the Declarant and/or the Association from time to time for the use and benefit of the Owners of Lots and Dwellings as set forth in Section 5.3'.

(pp) "Recreational Charges" shall mean and refer to all fees, rentals, costs, and other charges which are charged by or to an Owner with respect to his use or the use by his family, Tenants, or quests of the Recreational Amenities or for the purchase of services or goods provided or sold in connection with the Recreational Amenities.

(qq) "Site Plan" shall mean and refer to the Master Land Use Plan under the P.D.D. and all modifications, revisions and additions thereto. Further, "Site Plan" shall mean and refer to any subdivision plat of the Property or any portion of the Additional Property as may be submitted to the terms if this Declaration, and as may be placed of record in furtherance of the development scheme represented by said Master Land Use Plan, as its exists from time to time..

(rr) "Supplemental Declaration" shall mean and refer to any amendment to these Covenants filed Of Record, which subjects Additional Property to these Covenants or which makes any changes hereto.

(ss) "Tenant" shall mean and refer to a Person holding a lease with an Owner of a Lot or Dwelling of twelve (12) months or more, or with respect to which there is a holding over on a month-to-month basis following the expiration of such minimum twelve (12) -month period.

(tt) "Unsubdivided Land" shall mean and refer to all land in the Property, and the Additional Property as may be subjected to this Declaration, which has not been subdivided into or designated as Lots, Neighborhood Areas, Multi-Family Tracts, Commercial Sites, or Development Unit Parcels, through metes and bounds subdivision plats filed Of Record and expressly declaring or labeling such portions of the Property for development as such uses. For the purposes of this Declaration, the following classifications of Property shall not be deemed "Unsubdivided Land" and shall be expressly excepted from the definition thereof:

(1) All lands committed to the Association through express written notification by the Declarant to the Association of intent to convey in any manner provided herein.

(2) All lands designated on the Site Plan as Intended for Use as outdoor recreation facilities; operating farms and/or animal pastures; woodland, marsh and swamp conservancies; places of worship; community, civic, and cultural clubs; libraries; nursery and other schools and instructional centers, medical centers, clinics, nursing care, rest and convalescent homes and charitable institutions.

(3) All lands below the mean high water mark.

## ARTICLE 2. THE GENERAL PLAN FOR PARKERS LANDING

2.1 Plan of Development of The Property. The Property shall initially contain one hundred thirty (130) Lots as shown on the Site Plan, and one Dwelling may be constructed on each such Lot. The Property shall also include the Common Areas, including Recreational Amenities, private roads, if any, utility systems, drainage systems, and other improvements serving the Lots and Dwellings, to the extent the same are from time to time denominated as such by Declarant on the Site Plan or in any deed, lease, use agreement or memorandum thereof filed of Record, and are installed and existing. The dimensions of the Lots shall be shown on the Site Plan. All Lots within the Development shall be and are hereby restricted exclusively to single-family residential use and shall be subject to the standards and restrictions set forth in Article 4' hereof. Without the consent of any person, Declarant shall have the right, but not the obligation, for so long as Declarant has the right to appoint and remove any members or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10. 1 and 13. 1 to make improvements and changes to all Common Areas, Recreational Amenities, and to all such properties owned by Declarant, including, without limitation, (a) installation and maintenance of any improvements, (b) changes in the location of the boundaries of any such properties owned by Declarant, (c) installation and maintenance of any water, sewer, and other utility systems and facilities, and (d) installation of security and/or refuse facilities.

2.2 Additions To Property. Other property may become subject to this Declaration in the following manner:

2.2.1 Additions By Declarant. During the period of development, which shall by definition extend from the date of this Declaration is filed Of Record to December 31, 2010, the Declarant shall have the right, without further consent of the Association to bring within the plan and

operation of this Declaration, or to consent thereto, the whole or any portion of the property described in Exhibit "B" hereto, whether or not owned by the Declarant ("Additional Property"). Such property may be subjected to this Declaration as one parcel or as several smaller parcels at different times. The additions authorized under subject to this Declaration under the provisions of this Section 2.2.3 may in the future be referred to as a part of the Property.

2.2.2 Other Additions. Upon approval in writing of the Association pursuant to simple majority of the vote of those Members present, in person or by proxy, at a duly called meeting, the owner of any property who desires to add it to the plan of these covenants and to subject it to the jurisdiction of the Association, may file Of Record a Supplemental Declaration with respect to the property to be added, which shall extend the operation and effect of the covenants and restrictions of the Declaration to such property, thereafter constituting a part of the Property.

2.2.3 Additions By Merger. Upon merger or consolidation of the Association with another association, as provided for in the Bylaws of the Association, its property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights, and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association may administer the existing property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation shall effect any revocation, change, or addition to the covenants established by this Declaration within the Property, including, without limitation, the maximum limits on Assessments and dues of the Association, or any other matter substantially affecting the interests of Members of the Association. Lands which become subject to this Declaration under the provisions of this Section 2.2.3 may in the future be referred to as a part of the property (2) years after the Declarant has completed improvements thereon, if such be required. Upon such conveyance, or upon completion of any improvements thereon by the Declarant, if such be required, such that the facility is functionally complete, the Association shall immediately become responsible for all maintenance, operation and such additional construction of improvements as may be authorized by the Association's Board of Directors. It is the purpose of this provision to provide that the Association shall be responsible for all maintenance of Common Areas upon which all improvements required to be made by the Declarant have been completed, notwithstanding the fact that the Declarant is not obligated to deed, lease or execute a use agreement for such properties until two (2) years after such improvements have been completed thereon. Any such conveyance by the Declarant shall be conveyed subject to:

- (a) All restrictive covenants filed Of Record at the time of conveyance; and
- (b) All existing mortgages, provided, however, that in no event shall the Association be obligated to assume the payment of principal or interest on any such mortgages; and
- (c) The right of access of the Declarant, its successors and assigns, over and across such property; and
- (d) The right of the Declarant, its successors and assigns to approve all structures, construction, repairs, changes in elevation and topography and the location of any object (including vegetation) within the Common Areas prior to the commencement of such activities or location of any object therein;
- (e) All utilities and drainage easements; and



(f) All reserved rights set forth in Section 2.1

The obligation to make payments of principal and interest in accordance with their due dates on all mortgages affecting property so conveyed to the Association shall continue to be the sole obligation of the Declarant. Notwithstanding anything in the foregoing to the contrary, the Declarant, its successors and assigns, shall not be required to so convey the Common Areas where such conveyance would be prohibited under agreements existing on the date of establishment of such Common Areas, but, in such case, Declarant shall be allowed to postpone such conveyance, without penalty, until such time as said prohibition may be nullified.

In consideration of the benefits accruing to the Association and to the Members under this Declaration and in consideration of the covenants and agreements of the Declarant hereunder, the Association hereby agrees to accept title to any property, or to any interest in property, now or hereafter conveyed to it pursuant to the terms and conditions of this Declaration. Upon the due recording of a deed, easement, lease or other instrument or memorandum of conveyance Of Record to the Association, title or such other interest in property conveyed shall vest in and to the Association without the necessity of any further act, deed or approval of any person, including the grantor, lessor and/or Association.

2.3 Conveyances Of Common Areas. All parcels of land referred to herein which are denominated by Declarant as Common Areas shall be , leased, or a use agreement with respect thereto shall be executed, by Declarant within two years from the date of completion of such common areas. This subsection shall be made by filing Of Record a Supplemental Declaration with respect to the Additional Property which shall extend the operation and effect of the covenants and restrictions of the Declaration to such Additional Property, and which, upon filing Of Record of a Supplemental Declaration, shall constitute a part of the Property.

(a) The Supplemental Declaration may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Declarant to reflect the different character, if any, of the Additional Property subjected to, and as are not materially inconsistent with, this Declaration, but such modifications shall have no effect on the Property described in Section 2.1 above.

(b) The option reserved under this Section 2.2.1 may be exercised by Declarant only by the execution of a Supplemental Declaration filed Of Record, together with a revision of or an addition to the Site Plan showing the Additional Property or such portion or portions thereof as are being added to the Development by such amendment, as well as the Lots, Neighborhood Areas, Multi-Family Tracts, Commercial Sites, Development Unit Parcels, and/or Unsubdivided Land therein. Any such Supplemental Declaration shall expressly submit the Additional Property or such portion thereof to all or a portion of the provisions of this Declaration, as may be provided therein, and such other covenants, restrictions, conditions and easements as Declarant, in its sole discretion, shall determine.

2.4 Neighborhood Areas. In the event that Declarant submits the Additional Property or any portion or portions thereof to the terms of this Declaration as Neighborhood Areas, whether composed of Lots or a Multi-Family Tract, there may be established by Declarant, its successors or assigns, Neighborhood Associations limited to the Owners of Lots and Dwellings within the Neighborhood Areas located within such portion or portions of the Additional Property so submitted in order to promote their health, safety, and social welfare, as well as to provide for

the maintenance of Dwellings, other improvements, and/or common elements owned by such Owners and/or such Neighborhood Associations, provided that such Owners shall also be Members of the Association and such Lots, Dwellings, and other improvements shall be subject to the terms of this Declaration as are imposed by the Supplemental Declaration with respect thereto. Such Neighborhood Areas may be subject to Neighborhood Declarations that impose covenants and restrictions that are in addition to, but not in abrogation or substitution of, those imposed hereby and applicable thereto, and such Neighborhood Associations may levy additional Assessments and make and enforce supplementary covenants, restrictions, rules, and regulations with respect to such Neighborhood Areas.

2.5 Commercial Sites. In the event that Declarant submits the Additional Property or any portion or portions thereof to the terms of this Declaration as Commercial Sites, there may be established by Declarant, its successors or assigns, Commercial Associations limited to the Owners of Commercial Units within the Commercial Sites located within such portion or portions of the Additional Property so submitted in order to promote their health, safety, and social welfare, as well as to provide for the maintenance of Commercial Units, other improvements, and/or common elements owned by such Owners and/or such Commercial Associations, provided that such Owners shall also be Members of the Association and such Commercial Units, and other improvements, shall be subject to the terms of this Declaration as are imposed by the Supplemental Declaration with respect thereto. Such Commercial Sites may be subject to Commercial Declarations which impose covenants and restrictions which are in addition to, but not in abrogation or substitution of, those imposed hereby and applicable thereto, and such Commercial Associations may levy additional Assessments and make and enforce supplementary covenants, restrictions, rules, and regulations with respect to such Commercial Sites.

2.6 Development Unit Parcels. In the event that Declarant submits the Additional Property or any portion or portions thereof to the terms of this Declaration as Development Unit Parcels, there may be established by Declarant, its successors or assigns, restrictions as to the maximum number and type of improvements which may be developed or constructed thereon, and as shall be permitted in accordance with the zoning ordinances therefore and the terms and conditions hereof, and such other declarations, covenants and restrictions as shall promote the general health, safety, and social welfare, and provide for the maintenance of improvements and/or common elements to be located thereon. Upon the further division of a Development Unit Parcel into one or more Lots, Dwellings, Neighborhood Areas Multi-Family Tracts, Commercial Sites or Commercial Units, as permitted by ordinance and the declarations, covenants, restrictions, maximum density and permitted building type established by Declarant, the subject property shall lose its character as a Development Unit Parcel and shall thereafter constitute the type or types of property permitted hereunder and into which it was so further divided.

2.7 Owner's Interest Subject to Plan of Development. Every purchaser of a Lot, Dwelling, Multi-Family Tract, Commercial Site, Commercial Unit or Development Unit Parcel shall purchase such property, and every Mortgagee and lien holder holding an interest therein shall take title, or hold such security interest with respect thereto, with notice of Declarant's development rights as to the Additional Property as herein set forth, and Declarant shall have and does hereby specifically reserve the right to add the Additional Property or any portion or portions thereof to the Development as hereinabove provided, and, with respect to each Lot, Dwelling, Multi-Family Tract, Commercial Site, Commercial Unit, and Development Unit Parcel located within the Additional Property, to convey to the purchaser thereof the title thereto and its appurtenant membership and voting rights in the Association. Any provision of this Declaration to the contrary notwithstanding, the provisions of the foregoing may not be

may not be abrogated, modified, rescinded, supplemented, or amended in whole or in part without the prior written consent of Declarant.

ARTICLE 3. PLAN OF DEVELOPMENT OF CONTIGUOUS RIVERFRONT AND MARSH

3.1 Docks and Bulkheads. Owners of Lots fronting on the Horlbeck Creek or any creek within the Development accessing the Horlbeck Creek may be permitted to erect docks upon their Lots and the adjacent property located between the outer boundary of their Lots and the high water mark of contiguous navigable waters upon complying with the following terms and conditions:

3.1.1 Plans and Specifications: Siting. Complete plans and specifications including, color or finish must be submitted to the Architectural Review Board in writing for approval in accordance with Article 4, and must conform to the architectural standards therefore adopted by the Architectural Review Board, including, but not limited to, requirements concerning permitted lighting, maximum lengths, square footage, slopes, and other matters which may apply to the aesthetics of such construction of docks on the Horlbeck Creek and contiguous creeks. Docks shall only be constructed over or along the a Lot and its adjacent marsh and abutting waters within the area contiguous to said Lot and within such area established therefore by the Architectural Review Board pursuant to such approvals of the Office of Ocean and Coastal Resource Management of the South Carolina Department of Health and Environmental Control ("OCRM" ), with regard to any applicable Dock Corridor Master Plan for Parkers Landing (a copy of which is maintained at the offices of the Declarant).

3.1.2 Architectural Approval of Docks. Written approval of the Architectural Review Board to such plans and specifications must be secured, the Architectural Review Board being granted the right in its uncontrolled discretion to disapprove such plans and specifications on any grounds, including purely aesthetic reasons.

3.1.3 Agency Approval of Docks and Dock Permit. Owners shall comply with all applicable governmental regulations, laws and ordinances for obtaining approval from agencies having approval authority. No representation is made by Declarant that any such agency approval will be granted, nor shall any such representation be inferred from the matters set forth herein. Any applicable Dock Corridor Master Plan for Parkers Landing and the establishment of Dock Corridor Lines thereon are intended solely as a means to promote Declarant's plan of development to maintain and enhance responsible conservation and recreational opportunities, and do not constitute a covenant, guaranty or warranty to any Owner that required agency approval will be granted. Declarant reserves the right to adjust any applicable Dock Corridor Line now or hereafter established if such adjustment is deemed by Declarant to be warranted to give full effect to its development plan.

3.1.4 Alteration of Docks. Any alterations of the plans and specifications or of the completed structure must also be submitted to the Architectural Review Board in writing and the Architectural Review Board's approval in writing must be similarly secured prior to construction, the Architectural Review Board being granted the same rights to disapprove alterations as it retains for disapproving the original structures.

3.2 Maintenance of Docks. All Owners who construct, or cause to be constructed, docks as herein provided, must maintain said structures in good repair and keep the same safe, clean and orderly in appearance at all times, and further agree to paint or otherwise treat with preservatives all wood or metal located above the high water mark exclusive of pilings, and to maintain such

paint or preservatives in an attractive manner. The Architectural Review Board shall be the judge as to whether the docks are safe, clean, orderly in appearance, and properly painted or preserved in accordance with reasonable standards, and where the Architectural Review Board notifies the particular Owner in writing that said dock fails to meet acceptable standards, said Owner shall thereupon remedy such conditions within thirty (30) days to the satisfaction of the Architectural Review Board, and that failing to so remedy such conditions, the Owners hereby covenant and agree that the Architectural Review Board may make the necessary repairs, but is not obligated to make such repairs or take such actions as will bring said dock up to acceptable standards, all such repairs and actions to be at the sole expense of the Lot Owner in question.

3.3 OCRM Critical Line Setback. Each Owner is placed on notice that there shall be setbacks adjacent to all OCRM Critical Lines within which no permanent structures shall be constructed and within which a natural buffer shall be maintained, such setbacks being imposed by the Town of Mount Pleasant, OCRM, or the Architectural Review Board. It shall be the responsibility of each Owner to determine the then existing setback requirement prior to undertaking any planning of improvements to be submitted to the Architectural Review Board.

#### ARTICLE 4. ARCHITECTURAL STANDARDS AND USE RESTRICTIONS

4.1 Purpose. In order to preserve the natural setting and beauty of the Development, to establish and preserve a harmonious and aesthetically pleasing design for the Development, and to protect and promote the value of the Development, the Lots, Dwellings, Neighborhood Areas, Multi-Family Tracts, Commercial Sites, Commercial Units and Development Unit Parcels, all improvements located therein or thereon shall be subject to the restrictions set forth in this Article 4. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article 4.

4.2 Architectural Review Board. The Declarant shall establish an Architectural Review Board which shall consist of not more than five (5) nor less than three (3) members. Regular term of office for each member shall be one year. Any member appointed by the Declarant may be removed with or without cause by the Declarant at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. Notwithstanding the foregoing to the contrary, any member appointed to the Architectural Review Board by the Board of Directors upon assignment to the Association of the whole or any portion of Architectural Review Board functions pursuant to Section 4.2.1 below shall be subject to the prior approval of Declarant until that date which is three (3) years from and after the date on which Declarant's right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.11 and 13.1 is terminated. The Architectural Review Board shall elect a chairman and he, or in his absence, the vice chairman, shall be the presiding officer at its meetings. The Architectural Review Board shall meet at least once in each calendar month, as well as upon call of the chairman, and all meetings shall be held at such places as may be designated by the chairman. Three (3) members shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of those present in person or by proxy at a meeting of the Architectural Review Board shall constitute the action of the Architectural Review Board on any matter before it. The Architectural Review Board is authorized to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the Architectural Review Board in performing its functions set forth herein.

4.2.1 Right to Assign Architectural Review Board Functions to the Association. The Declarant reserves the right to assign to the Association, at its sole discretion, the whole or any portion of its rights reserved in this Declaration which are exercisable by the Architectural Review Board. The Association hereby agrees to accept the assignment of these rights without the necessity of any further action by it.

4.3 Permitted Improvement. No improvements of any nature whatsoever shall be constructed, altered, added to, or maintained upon any part of the Development, except (a) improvements which are constructed by Declarant, (b) such improvements as are approved by the Architectural Review Board in accordance with this Article 4, or (c) improvements which pursuant to this Article 4 do not require the consent of the Architectural Review Board.

4.4 Construction of Improvements.

4.4.1 Siting of Improvements: Setbacks. Since the establishment of standard, inflexible building setback lines for the location of structures tend to force construction of such buildings both directly behind and directly to the side of each other with detrimental effects on privacy, views, preservation of important trees, etc., no specific setback lines are established by this Declaration, except as otherwise provided in this Declaration or as may be required by the establishment of easements within the Property. In order to assure, however, that location of structures will be staggered where practical and appropriate so that the maximum amount of view and breeze will be available thereto, that the structures will be located with regard to ecological constraints and topography, taking into consideration the elevations, the location of large trees and similar considerations, the Declarant, through the Architectural Review Board, reserves unto itself, its successors and assigns, the right to control absolutely and solely to decide the precise site and location of any building or other structure upon all properties within the Development. Provided, however, that such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site and provided further, that in the event an agreed location is stipulated in writing by Declarant, the Architectural Review Board shall approve automatically such location. Anything contained herein to the contrary notwithstanding, in the event Declarant creates any setback lines elsewhere in this Declaration, in the Site Plan, in any Supplemental Declaration, or other writing signed by Declarant, or in the P.D.D., then, in that event, all buildings, structures, or other improvements on or with respect to any Lot, Dwelling, Neighborhood Area, Multi-Family Tract, Commercial Site or Commercial Unit covered thereby shall be located only within the setback lines so specified, provided that the Architectural Review Board shall be empowered to grant variances with respect to such setback lines if so permitted in any such provision of this Declaration, the Site Plan, Supplemental Declaration, or other writing of Declarant; and provided further, however, the Site Plan, Supplemental Declaration, other writing of the Declarant, or the Architectural Review Board may establish more, but not less, restrictive setbacks than may be established in the P.D.D.

4.4.2 Time of Construction Activities. No construction of improvements on any Lots, Dwellings, Neighborhood Areas, Multi-Family Tracts, Commercial Sites, Commercial Units, or Development Unit Parcels shall be undertaken or conducted on any Saturdays, Sundays, or holidays as established by the Architectural Review Board, except for (a) construction activities of Declarant, (b) emergency situations involving the potential loss, injury, or damage to persons or property, and (c) as otherwise permitted by the Architectural Review Board.

4.4.3 Contractor Bonds and Deposit: Construction Completion. The Architectural Review Board, in its sole discretion, may require that any contractor and/or subcontractor for any planned improvements within the Development post payment and/or performance bonds with the

Architectural Review Board to assure that such contractor or subcontractor shall satisfactorily complete such improvements, such bonds to be in the name of the Architectural Review Board and to be in form and amount satisfactory to the Architectural Review Board. Furthermore, the Architectural Review Board, in its sole discretion, may require that an Owner deposit the Architectural Review Board a sum of no more than \$2,500.00 in order to assure the completion of all improvements, including landscaping, within the time periods provided in this Section 4.4 and in Section 4.6 hereof, and to pay or defray the cost of any unrepaired damage done to Common Areas, including roadways, as a result of said work. The exterior of any improvement permitted by this Declaration shall be completed within one year after the construction of same shall have been commenced, except where the Architectural Review Board allows for an extension of time because such completion within such time is impossible or would result in great hardship to the Owner or builder thereof due to strikes, national emergencies, fires, floods, lightning, earthquakes, or other casualties. In the event that such improvements or landscaping are not completed within the provided periods, the Architectural Review Board shall be entitled to collect on or enforce any payment or performance bonds required hereunder so as to ensure the proper completion of any such improvements. Furthermore, the Architectural Review Board shall be entitled to retain any sums so deposited as a penalty for such failure to complete or repair, and such sums shall be retained as the property of the Declarant. Any such sums so deposited shall, at the discretion of the Architectural Review Board, be invested so as to earn interest, and any interest earned thereon shall be the sole property of the Declarant. The retention of any of the deposit by the Architectural Review Board shall not excuse the Owner of responsibility to complete the construction and landscaping, at Owner's cost, in accordance with the plans and specifications approved by the Architectural Review Board, or to pay the cost of any required repair to Common Areas as further set forth in Section 7.2.2 hereof.

4.4.4 Temporary Structures. No structure of a temporary character shall be placed upon any property subject to this Declaration at any time, provided, however, that this prohibition shall not apply to Declarant's sales and construction activities pursuant to Section 4.21, or to shelters or temporary structures used by the contractor during construction of permanent structures, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the subject property after completion of construction. The design and color of structures temporarily placed by contractor shall be subject to reasonable aesthetic control by the Architectural Review Board. The provisions of this Section 4.4.4 shall not prohibit the erection of temporary structures for social functions as may be permitted by rules and regulations promulgated by the Architectural Review Board.

4.4.5 Construction Debris. During the continuance of construction by an Owner, such Owner shall require its contractors to maintain the property upon which such work is being done in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers. Upon completion of construction, such Owner shall cause its contractors to immediately remove all equipment, tools, and construction material and debris from the property on which such construction has been completed.

4.4.6 Occupancy. Dwellings may not be temporarily or permanently occupied until proper and suitable provision has been made for the disposal of sewage by connection with sewer mains, the construction of the Dwelling has been completed, and a certificate of occupancy has been issued by both the Architectural Review Board and by the political subdivision with jurisdiction thereof.

4.5 Architectural Approval. To preserve the architectural and aesthetic appearance of the Development, no construction of improvements of any nature whatsoever shall be commenced or

maintained by the Association or any Owner, other than Declarant, with respect to the construction or exterior of any improvement, structure, Dwelling or Commercial Unit or with respect to any other portion of the Development, including, without limitation, the construction or installation of sidewalks, driveways, parking lots, mail boxes, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, awnings, walls, fences, docks, wharves, bulkheads, boat slips, exterior lights, garages, guest or servants' quarters, or other outbuildings, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data (including, if required by the Architectural Review Board, a survey showing the location of trees of six (6) inches in diameter at a height of four and one-half (4 ½<sup>ft</sup>) feet above the ground level and other significant vegetation on such property) showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to the harmony of external design, location, and appearance in relation to surrounding structures and topography by the Architectural Review Board. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the Architectural Review Board, and the other copy shall be returned to the Owner marked "approved" or "disapproved". The Architectural Review Board shall establish a fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained in accordance with the terms hereof. The fee initially established for such review shall be \$250.00 for each submission, and the Architectural Review Board shall have the right to increase this amount from time to time. For purposes of such review, if the Architectural Review Board determines, in its sole discretion, that an Owner has failed to follow the standards of the Board, it may give notice to the Owner that if the Board is required to take up any additional time following its review to take place after such notice, then such later additional time shall be deemed a new submission requiring payment of another review fee as a condition to its taking such additional time: The Architectural Review Board shall not be limited in the number of such notices it may give or the number of such additional review fees it may collect as a result of Owner's continued failure to follow the standards. Notwithstanding the foregoing requirement of architectural review, an Owner of any enclosed Dwelling, Commercial Unit, or other building or structure may make interior improvements and alterations therein without the necessity of approval or review by the Architectural Review Board; provided, however, such approval shall be required if such interior improvements are made within any garage, underneath parking area or similar area plainly within view of adjacent properties. The Architectural Review Board shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association. In connection with approval rights and to prevent excessive drainage or surface water run-off, the Architectural Review Board shall have the right to establish a maximum percentage of a property which may be covered by Dwellings, Commercial Units, buildings, structures, or other improvements, which standards shall be promulgated on the basis of topography, percolation rate of the soil, soil types and conditions, vegetation cover, and other environmental factors. Following approval of any plans and specifications by the Architectural Review Board, representatives of the Architectural Review Board shall have the right during reasonable hours to enter upon and inspect any property or improvements with respect to which construction is underway within the Development to determine whether or not the plans and specifications thereof have been approved and are being complied with. In the event the Architectural Review Board shall determine that such plans and specifications have not been approved or are not being complied with, the Architectural Review Board shall be entitled to enjoy further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In the event the Architectural Review Board fails to approve or disapprove in writing any proposed plans and specifications within forty-five (45) days after such plans and specifications shall have been submitted, such plans and



specifications will be deemed to have been expressly approved. Upon approval of plans and specifications, no further approval under this Article 4 shall be required with respect thereto, unless such construction has not substantially commenced within six (6) months of the approval of such plans and specifications (e.g. clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. Refusal of approval of plans and specifications may be based by the Architectural Review Board upon any ground which is consistent with the objects and purposes of this Declaration, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

4.6 Landscaping Approval. To preserve the aesthetic appearance of the Development, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed by the Association or any Owner, other than Declarant, unless and until the plans therefore have been submitted to and approved in writing by the Architectural Review Board. The provisions of Section 4.5 regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, etc. shall also be applicable to any proposed landscaping, clearing, grading, excavation, or filling. Such plans shall include a calculation of the ratio of the area to be covered by grass lawns versus the area to be left in a natural state, and the Architectural Review Board shall be entitled to promulgate standards with respect to such ratios. Furthermore, without the consent of the Architectural Review Board, no hedge or shrubbery planting which obstructs sight-lines at elevations between two (2) and six (6) feet above streets and roadways within the Development shall be paved or permitted to remain on any property within the triangular area formed by the street property lines and a line connecting such lines at points fifteen (15) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the extended street property lines. The same sight-line limitations shall apply to any property subject to this Declaration within ten (10) feet from the intersection of a street property line with the edge of a driveway. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines or unless otherwise consented to by the Architectural Review Board. Unless located within the (10) feet of a building or a recreational or parking facility, no Owner, other than Declarant, shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation having a trunk diameter of six (6) inches or more at a point of four and one-half (4 ½') feet above the ground level, or other significant vegetation as designated, from time to time, by the Architectural Review Board, without obtaining the prior approval of the Architectural Review Board, provided that dead or diseased trees which are inspected and certified as dead or diseased by the Architectural Review Board or its representatives, as well as other dead or diseased shrubs, bushes, or other vegetation, shall be cut and removed promptly from any property by the Owner thereof. All of the landscaping within a Lot must be completed within ninety (90) days of occupancy or substantial completion of the Dwelling, whichever date shall first occur. All landscaping within Common Areas, Neighborhood Areas, Multi-Family Tracts or Commercial Sites must be completed within ninety (90) days of occupancy or substantial completion of the first Dwelling within such Neighborhood Area or Multi-Family Tract, or first Commercial Unit within such Commercial Site, or first structure within a Common Area, whichever date shall first occur.

4.6.1 Applicable Tree Ordinances. Anything contained herein to the contrary notwithstanding, the limitations herein provided are in addition to, and not substitutions for, the ordinances, rules, regulations, and conditions of any political subdivision of the State of South Carolina with jurisdiction of the cutting and removal of trees.

4.7 Approval Not a Guarantee. No approval of plans and specifications and no publication of architectural standards shall be construed as representing or implying that such plans,



specifications, or standards will, if followed, result in properly designed improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any Dwelling, Commercial Unit or other improvement built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association, nor the Architectural Review Board shall be responsible or liable for any defects in any plans or specifications submitted, revised, or approved pursuant to the terms of this Article 4, nor any defects in construction undertaken pursuant to such plans and specifications.

4.8 Building Restrictions. Except as may-be otherwise set forth in this Declaration, in the Site Plan, in any Supplemental Declaration, in any agreement with Declarant, or by specific deed restriction, the following building restrictions shall apply with respect to the properties subject to this Declaration:

4.8.1 Number of Buildings on Lots. On a Lot no structure shall be constructed other than one (1) detached single-family Dwelling and one (1) small one-story accessory building, which may include a detached private garage and/or servant's quarter, provided the use of such dwelling or accessory building does not overcrowd the site and provided further, that such building is not used for any activity normally conducted as a business. Such accessory buildings may not be constructed prior to the construction of the main building. A guest-suite or like facility without a kitchen may be included as part of the main dwelling or accessory building, but said suite may not be rented or leased except as part of the entire premises including the main dwelling.

4.8.2 Square Footage Requirements. All Dwellings constructed on Lots shall have a minimum of two thousand (2,000) square feet of Living Space. Declarant reserves the right to modify, amend or change the within square footage requirement as it may apply to any Lot or Dwelling within the Property and upon the filing of a Supplemental Declaration Of Record; provided, however, upon the failure of Declarant to make specific provision for a minimum square footage of Living Space in any such Supplemental Declaration, the foregoing restriction shall apply to any dwelling constructed upon a Lot with such Property. There shall be no minimum square footage requirements with respect to a Dwelling or Commercial Unit or other structure constructed within a Multi-Family Tract or Commercial Site except as may be specifically provided in a Supplemental Declaration filed Of Record with respect thereto.

4.8.3 Other Requirement of Residences. In addition, all residential structures constructed on a Lot shall be designed and constructed in compliance with the requirements of the Building Code of the Town of Mount Pleasant, and/or such other political subdivision with jurisdiction thereof, related to construction in flood hazard areas.

4.9 Service Yards. Each Commercial Association, and each Owner of a multi-family building or single-family Dwelling shall provide visually-screened areas to serve as service yards in which garbage receptacles, fuel tanks, gas and electric meters, supplies, and equipment which are stored outside by such must be placed or stored in order to conceal them from view from roads and adjacent properties. Any such visual barrier shall be a least six (6) feet high and may consist of either fencing or landscaping and planting which is approved by the Architectural Review Board in accordance with the architectural standards adopted therefore.

4.10 Use of Lots and Dwellings. Except as permitted by Section 4.21, each Lot and Dwelling shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. The use of a portion of a Dwelling as an office by an Owner or his Tenant shall not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic; provided that in no event shall any Lot or Dwelling be used as the office of

or storage area for any building contractor, real estate developer or real estate broker, except as may be on a temporary basis, with the express written consent of the Architectural Review Board, and in accordance with reasonable rules and regulations promulgated by the Architectural Review Board. Furthermore, the operation of the Recreational Amenities, including, without limitation, the charging and collecting of rentals, fees and charges in accordance with this Declaration shall be expressly permitted within the Development and shall not be deemed to be a violation of the terms of this Section 4. 10. Lease or rental of a Dwelling for residential purposes shall also not be considered to be a violation of this covenant so long as the lease (a) is for not less than the entire Dwelling and all the improvements thereon, and (b) is otherwise in compliance with rules and regulations as may be promulgated and published from time to time by the Declarant and the Architectural Review Board. All leases or rental agreements shall be required to be in writing, and upon request, the Owner shall provide the Declarant and Architectural Review Board with copies of such lease or rental agreement. Any renter, lessee or Tenant shall in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder.

4.11 Boats and Watercraft. No persons shall be entitled to live or reside on any yacht, boat, or other watercraft from time to time docked, moored, or otherwise located within the Development, provided that the Board of Directors may establish rules and regulations permitting the temporary occupancy of any such yachts, boats, or other watercraft in any lake, lagoon, pond, creek, river, or other body of water within or adjacent to the Development. No such temporary occupancy shall be permitted except in accordance with the express terms and conditions of any such rules and regulations of the Board of Directors, which it may or may not promulgate in its sole and exclusive discretion. Furthermore, Owners and their Tenants shall not be entitled to lease or rent any boat slips, or wharf, dock, or bulkhead space adjacent to their or its property, to Persons other than Owners or their Tenants, without obtaining the prior approval of the Declarant and the Architectural Review Board.

4.12 Exterior Appearance. No chain link fences shall be permitted within the Development, except with regard to maintenance areas within the Common Areas. Also, any unenclosed garages or carports must be adequately screened from street views. Further, no foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades, or other purpose, except as specifically permitted by the Architectural Review Board, nor shall any window-mounted heating or air-conditioning units be permitted. Except within screened service yards, outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed, or maintained, nor shall any clothing, rugs, or other item be hung on any railing, fence, hedge, or wall.

4.13 Signs. Except as may be required by legal proceedings, no signs or advertising posters of any kind, including "For Rent," "For Sale," and other similar signs erected by Owners, the Association, or any agent, broker, contractor or subcontractor thereof, shall be maintained or permitted within any windows or on the exterior of any improvements or on any unimproved portion of property located within the Development, without the express written permission of the Architectural Review Board. The approval of any signs and posters, including, without limitation, name and address signs, shall be upon such conditions as may be from time to time determined by the Architectural Review Board and may be arbitrarily withheld. Notwithstanding the foregoing, the restrictions of this Section 4.13 shall not apply to Declarant. In addition, the Board of Directors, on behalf of the Association, shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas and within those easement areas established in Section 5.8 hereof and in accordance with architectural standards adopted therefore by the Architectural Review Board.

- 4.14 Lights. The design and location of all exterior lighting fixtures shall be subject to the approval of the Architectural Review Board. Neither these nor any other illumination devices, including, but not limited to, Christmas ornaments, located anywhere on the structures or grounds of any Property shall be located, directed, or of such intensity to affect adversely, in the sole discretion of the Architectural Review Board, the night-time environment of any adjoining property.
- 4.15 Antennas. No television antenna, radio receiver, or other similar device shall be attached to or installed on any portion of the Development, unless contained entirely within the interior of a building or other structure or screened from view in accordance with architectural standards adopted therefore by the Architectural Review Board, nor shall radio or television signals, nor any other form of electromagnetic radiation, be permitted to originate from any property within the Development which may unreasonably interfere with the reception of television or radio signals within the Development; provided, however, that Declarant and the Association, and their assigns, shall not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio, or other similar systems within the Development.
- 4.16 Security Systems. In the event that either Declarant or the Association shall install a central security system within the Development, or in the event Declarant grants to a third-party supplier the right to install same, with the capability of providing security services to each Dwelling and Commercial Unit within the Development, then no Owner shall be entitled to install or maintain any alternative security systems within a Dwelling or Commercial Unit, other than security systems which are appurtenant to and connected with such central security system, without obtaining the prior written consent and approval of the Declarant, so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1 and 13.1, and thereafter the Board of Directors.
- 4.17 Water Wells and Septic Tanks. Subject to the terms of Section 5.13, no private water wells or septic tanks may be drilled, installed or maintained on any of the Development. Shallow well pumps may be authorized by the Architectural Review Board for lawn and garden use if tests indicate water is satisfactory.
- 4.18 Pets. No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept by any Owner upon any portion of the Development, provided that a reasonable number of generally recognized house pets may be kept in Dwellings, subject to rules and regulations adopted by the Association, through its Board of Directors, and further provided that such pet or pets are kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Areas. Pets shall be under leash at all times when walked or exercised in any portion of the Common Areas, and the Owner of such pet shall immediately remove the same. Upon the written request of any Owner, the Board of Directors may conclusively determine, in its sole and absolute discretion, whether, for purposes of this Section 4.18, a particular pet is a generally recognized house pet or such pet is a nuisance, and the Board shall have the right to require the owner of a particular pet to remove such pet from the Development if such pet is found to be a nuisance or to be in violation of these restrictions. The Board of Directors shall have the further right, subject to Section 12.2, to fine any Owner (in an amount not to exceed \$50.00 per violation) for the violation of these pet restrictions by such Owner or an Occupant of his Dwelling, and an Owner shall be liable to the Association for the cost of repair of any

damage to the Common Areas caused by the pet of such Owner or of an occupant of such Owner's Dwelling. Any such fine or cost of repair shall be added to and become a part of that portion of any Assessment next coming due to which such Dwelling and its Owner are subject.

4.19 Nuisances. No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any portion of the Development, nor shall any nuisance or odors be permitted to exist or operate upon or arise from the Development, so as to render any portion thereof unsanitary, unsightly, offensive, or detrimental to persons using or occupying any other portions of the Development. Noxious or offensive activities shall not be carried on in any part of the Development, and the Association and each Owner, his family, Tenants, guests, invitees, servants, and agents shall refrain from any act or use which could cause disorderly, unsightly, or unkempt conditions, or which could cause embarrassment, discomfort, annoyance, or nuisance to the occupants of other portions of the Development or which could result in a cancellation of any insurance for any portion of the Development, or which would be in violation of any law or governmental code or regulation. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells, or other sound devices, except security and fire alarm devices used exclusively for such purposes, shall be located, used, or placed within the Development, or except as may be permitted pursuant to terms, conditions, rules and regulations adopted therefore by the Architectural Review Board. Any Owner, or his family, Tenants, guests, invitees, servants, or agents, who dumps or places any trash or debris upon any portion of the Development shall be liable to the Association for the actual costs of removal thereof or the sum of \$25.00, whichever is greater, and such sum shall be added to and become a part of that portion of any Assessment next becoming due to which such Owner and his property are subject.

4.20 Motor Vehicles, Trailers, Boats, Etc. Each Owner shall provide for parking of automobiles off street and roads within the Development. There shall be no outside storage or parking upon any portion of the Development of any mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft (other than in boat slips, or other docking facilities), boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices, except if adequately screened from view or otherwise permitted in writing by the Declarant. Furthermore, although not expressly prohibited hereby, the Architectural Review Board may at any time prohibit mobile homes, motor homes, campers, trailers of any kind, or any of them, from being kept, placed, stored, maintained, or operated upon any portion of the Development if in the opinion of the Architectural Review Board such prohibition shall be in the best interests of the Development. No Owners or other Occupants of any portion of the Development shall repair or restore any vehicle of any kind upon or within a property subject to this Declaration except (a) within enclosed garages or workshops, or (b) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility.

4.21 Sales and Construction Activities of Declarant. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant and its agents, employees, successors, and assigns to maintain and carry on such facilities and activities as may be reasonable required, convenient, or incidental to the completion, improvement, and sale of the whole or any portion of the Property and the Additional Property, including, without limitation, the installation and operation of sales and construction trailers and offices, signs and model Dwellings and Commercial Units, provided that the location of any construction trailers of any assignees of Declarant's rights under this Section 4.21 shall be subject to Declarant's approval. The right of Declarant to maintain and carry on such facilities and activities shall include specifically the right to use Dwellings as

model residences, and to use any Dwelling as an office for the sale of Lots and/or Dwellings and for related activities.

4.22 Multiple Ownership. No Lot or Dwelling may be owned by more than four (4) Owners at any one time. For the purposes of this restriction, a married couple constitutes a single Owner. Furthermore, the Property subject to this Declaration, including any improvements thereon or to be built thereon, shall not be used for or subject to any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27.3 2.10, et. or any subsequent laws of this State dealing with that or similar type of ownership without the prior written consent of the Declarant, for so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10. 1 and 13.11. and thereafter without the prior written consent of the Board of Directors. In the event consent is granted for any ownership under a Vacation Time Sharing Plan, Vacation Multiple Ownership Plan, or similar type ownership, the Declarant or the Board of Directors, as the case may be, shall have the right to amend this Declaration in any respect to take into account the nature of such ownership, including, but not limited to, provision for access and use of any Recreational Amenities under Section 5.31 , 11.2 provision for Member voting under Section 6.2, and provision for Assessments under Article Notwithstanding the foregoing to the contrary, a Lot or Dwelling may be owned by a corporation or partnership so long as such corporation or partnership does not have more than four (4) shareholders or partners; provided, however, that the foregoing prohibition shall not apply to Declarant, its affiliates, or their respective successors or assigns, or with respect to any Institutional Mortgagee or such corporation or partnership approved by Declarant for such ownership and upon terms and conditions of such approval.

4.23 Fire Breaks. The Declarant reserves unto itself, its successors and assigns a perpetual, alienable and releasable easement and right on and over and under any property to cut fire breaks and other activities which in the opinion of the Declarant are necessary or desirable to control fires on any property, shall be considered in the interpretation of this Declaration. Consolidation of Lots, as described herein, must be approved by the Declarant, so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.11 and 13. 11 , and thereafter by the Board of Directors, said approval to be granted in its sole discretion upon such terms and conditions as may be established by it from time to time, including specific provisions for the payment of Assessments.

4.24 Use of Trademark. Each Owner and Occupant, by acceptance of a deed to any lands, tenements or here within the Development hereby acknowledges that Parkers Landing and RiverTowne Country Club are service marks and trade marks. Each Owner and Occupant agrees to refrain from misappropriating or infringing these service marks or trademarks.

4.25 Owner Recording Additional Restrictions on Property. No Owner may impose additional restrictive covenants on any lands within the Property beyond those contained in this Declaration without consent of the Declarant, so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10. 1 and 13. 1, and thereafter without consent of the Board of Directors. The Declarant may impose additional restrictive covenants on property then owned by the Declarant without the consent of any other Owner or the Association.

4.26 Right to Approve Horizontal Property Regime. No Horizontal Property Regime or property owners' association established on the Property shall be effective until all legal

documents associated therewith have been approved by Declarant. A reasonable charge for cost of legal review may be charged to the developer by the Declarant.

4.27 Repurchase Option. So long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1 and 13.9, and thereafter except with the prior written approval of the Association, Declarant hereby reserves unto itself and its successors and assigns the right and option to purchase any Common Area, Lot, Dwelling, Neighborhood Area, Multi-Family Tract, Commercial Site, Commercial Unit or Development Unit Parcel within the Development which is offered for sale by the Owner thereof, such option to be at the price and on the terms and conditions of any bona fide offer therefore which is acceptable to such Owner and which is made in writing to such Owner. The Owner shall promptly submit a copy of the same to Declarant, and Declarant shall have a period of ten (10) business days (exclusive of Saturday, Sunday and Federal holidays) from and after the presentation of such offer to Declarant in which to exercise its purchase option by giving such Owner written notice of such exercise in accordance with Section 13.16. If Declarant fails to respond or to exercise such purchase option within said ten (10) day period, Declarant shall be deemed to have waived such purchase option. If Declarant responds by declining to exercise such option, Declarant shall execute an instrument evidencing its waiver of its repurchase option, which instrument shall be in recordable form. In the event that Declarant does not exercise its purchase option and such sale to a third party is not consummated on such terms and conditions set forth in the bona fide offer within six (6) months of the date in which the offer is transmitted to Declarant, or within the period of time set forth in such bona fide offer, whichever is later, the terms and limitations of this Section 4.27 shall again be imposed upon any sale by such Owner. If Declarant shall elect to purchase, the transaction shall be consummated within the period of time set for closing in said bona fide offer, or within sixty (60) days following delivery of written notice by Declarant to such Owner of Declarant's decision to so purchase such Lot or Dwelling, whichever is earlier.

4.28 Trespass. Whenever the Declarant is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on the property of any Owner, or on the easement areas adjacent thereto entering the property and taking such action shall not be deemed a trespass.

4.29 Assignment of Declarant's Rights to the Association. The Declarant reserves the right to assign to the Association, at its sole discretion, its rights reserved in this Declaration, including all rights set forth in this Article 4. The Association hereby agrees to accept any and all assignments of rights hereunder, and no further action shall be required by it.

4.30 Other Rights and Reservations. THE OMISSION OF ANY RIGHT OR RESERVATION IN THIS ARTICLE SHALL NOT LIMIT ANY OTHER RIGHT OR RESERVATION BY THE DECLARANT WHICH IS EXPRESSLY STATED IN OR IMPLIED FROM ANY OTHER PROVISIONS IN THIS DECLARATION.

#### ARTICLE 5. PROPERTY RIGHTS

5.1 General Rights of Owners. Each Lot, Dwelling, Neighborhood Area, Multi-Family Tract, Commercial Site, Commercial Unit, and Development Unit Parcel shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration, may be conveyed, transferred, and encumbered the same as any other real property. Each Owner shall be entitled to the exclusive ownership and possession of his said property, subject to the provisions of this Declaration, including without limitation, the

provisions of this Article 5. If any chutes, flues, ducts, conduits, wires, pipes, plumbing, bulkheads, wharves, docks, boat slips, or any other apparatus or facilities for the furnishing of utilities or other services or for the provision of support or boat docking to such a property lie partially within and partially outside of the designated boundaries thereof, any portions thereof which serve only such property shall be deemed to be a part of such property, and any portions thereof which serve more than one such property or any portion the Common Areas shall be deemed to be a part of the Common Areas unless otherwise provided in any Neighborhood Declaration or Commercial Declaration. The ownership of each property subject to this Declaration shall include, and there shall pass with each property as an appurtenance thereto, whether or not separately described, all of the right and interest in and to the Common Areas as established hereunder, and the limitations applicable, which shall include, but not be limited to, membership in the Association. Each Owner shall automatically become a Member of the Association and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically pass to his successor-in-title to his or its property, and upon such transfer, such former Owner shall simultaneously transfer and endorse to his successor-in-title any certificates or other evidences of his membership in the Association.

5.2 Owner's Easement of Enjoyment. Subject to the provisions of this Declaration and the rules, regulations, fees, and charges from time to time established by the Board of Directors in accordance with the By-Laws and the terms hereof, every Owner, his family, Tenants, and guests shall have a non-exclusive right, privilege, and easement of use and enjoyment in and to the Common Areas, to the extent so entitled hereunder, such easement to be appurtenant to and to pass and run with title, subject to the rights, restrictions, reservations, covenants, easements and obligations reserved, granted or alienable in accordance with this Declaration, including, but not limited to:

5.2.1 Right Of Association To Borrow Money. The right of the Association to borrow money (a) for the purpose of improving the Development, or any portion thereof, (b) for acquiring additional Common Areas, (c) for constructing, repairing, maintaining or improving any facilities located or to be located within the Development, or (d) for providing the services authorized herein, and, subject to the provisions of Section 10.2, to give as security for the payment of any such loan a mortgage or other security instrument conveying all or any portion of the Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Association shall be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of Declarant, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

5.2.2 Declarant's Reserved Rights and Easements. The rights and easements specifically reserved to Declarant in this Declaration.

5.2.3 Association's Rights to Grant and Accept Easements. The right of the Association to grant and accept easements as provided in Section 5.7 and to dedicate or transfer fee simple title to all or any portion of the Common Areas to any public agency or authority, public service district, public or private utility, or other person, provided that any such transfer of the simple title must be approved by a majority of those present in person or by proxy at a duly held meeting of the Association and by Declarant, for so long as Declarant owns any of the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development.

5.2.4 Association's Rights and Easements. The rights and easements specifically reserved in this Declaration for the benefit of the Association, its directors, officers, agents, and employees.

5.2.5 Declarant's Easements for Additional Property. The rights and easements reserved in Section 5.10 hereof for the benefit of the Additional Property.

5.3 Recreational Amenities.

5.3.1 Access and Use of Recreational Amenities. Subject to the terms and provisions of this Declaration and the rules, regulations, and Recreational Charges from time to time established by the Board of Directors, every Owner of a Lot or Dwelling and his family, Tenants, and guests shall have the non-exclusive right, privilege, and easement of access to and the use and enjoyment of the Recreational Amenities, if any are constructed. Notwithstanding the foregoing to the contrary, those Owners of Lots or Dwellings, their spouses, and their Dependent Children, paying a Recreational Charge for exclusive use of an Association's use-for-fee facility or service shall have the exclusive use thereof, subject to the payment of Recreational Charges therefore which are from time to time established by the Board of Directors. Such Owners' guests, Tenants, and non-Dependent Children, as well as co-Owners who have not been designated pursuant to (b) below, shall have access to and use of the Recreational Amenities subject to rules, regulations, and Recreational Charges, as are from time to time established by the Board of Directors, provided that there shall be no distinction between such co-Owners, guests, Tenants, and non-Dependent Children with respect to Recreational Charges. Notwithstanding the foregoing to the contrary, the Board of Directors shall be entitled, but not obligated, to promulgate rules and regulations from time to time whereby grandchildren of Owners of Lots and Dwellings and non-Dependent Children of Owners of Lots and Dwellings have access to and the use of the Recreational Amenities on the same basis as Dependent Children of Owners of Lots and Dwellings. An Owner of a Lot or Dwelling may assign to the Tenant of his Lot or Dwelling such Owner's rights of access to and use of the Recreational Amenities so that such Tenant, his family and guests shall be entitled to the access to and use and enjoyment of the Recreational Amenities on the same basis as an Owner of a Lot or Dwelling and his family and guests, provided that any such designation may not be changed within six (6) months after such designation is so made. Any Owner of a Lot or Dwelling so assigning such rights to his Tenant shall give written notice thereof to the Board of Directors in accordance with Section 13.16, and after such assignment and notice, such Owner and his family and guests shall thenceforth have access to and use of the Recreational Amenities on the same basis and for the same Recreational Charges as guests of an Owner of a Lot or Dwelling, until such assignment is terminated and the Board of Directors is given written notice of such termination by such Owner. Nothing herein shall be construed as requiring the Board of Directors to establish Recreational Charges for the use of Recreational Amenities, use of which may be, in the sole discretion of the Board of Directors, covered solely by the Annual Assessment under Section 11.3.

5.3.2 Access and Use By Multiple Owners. The Board of Directors may, in its sole discretion, establish a rule that in the event of any multiple ownership of a Lot or Dwelling which is permitted by Section 4.22 hereof, only the Owner of such Lot or Dwelling designated in writing to the Board of Directors by all co-Owners, as well as his spouse and Dependent Children, shall be entitled to the use of the Recreational Amenities without user fees as provided above. The remaining co-Owners of such Lot or Dwelling and their families and guests shall be entitled to access to and use of the Recreational Amenities in accordance with the rules, regulations, fees, and charges relating to Owner's guests, Tenants, and non-Dependent Children that are from time to time established by the Board of Directors. If no such designation is made by such Co-Owners, then all such co-Owners shall have access to and use of the Recreational Amenities on



the same basis and for the same fees and charges as Owner's guests, Tenants, and non-Dependent Children. Any designation made pursuant to this Section 5.3.2 shall not be permitted to be changed within six (6) months after such designation is so made. For purposes of this Section 5.3.2, multiple ownership shall include ownership of a Lot or Dwelling by a partnership or a corporation, so that any such partnership or corporation shall designate to the Board one natural person who is a partner or stockholder and who, with his spouse and Dependent Children shall be entitled to access to and use of the Recreational Amenities on the same basis as Owners. In the absence of the establishment of any such rule of access and use by multiple Owners by the Board of Directors, all co-Owners shall have equal access to Recreational Amenities.

**5.3.3 Declarant's Access and Use.** In addition to the rights of Owners with respect to the access to and use and enjoyment of the Recreational Amenities and the rights therein of owners of residential dwellings within the Additional Property as provided in Section 5. 10, Declarant reserves the right to from time to time designate individuals who shall have access to and use of the Recreational Amenities on a basis which is equal and equivalent to that which is enjoyed by Owners. Declarant shall designate such individuals by written notice to the Board of Directors in accordance with Section 13.16, and Declarant reserves the right to from time to time add and remove individuals to and from such designated list, provided that for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion hereof to the Development, there shall be no more than a total of twenty-five (25) individuals so designated by Declarant at any one time, and after such time as Declarant no longer owns a Lot or Dwelling primarily for the purpose of sale and no longer has the unexpired option to add the Additional Property or any portion thereof to the Development, the Declarant shall designate no more than a total of ten (10) individuals at any one time. In addition, all such designated individuals shall either be officers, directors, or employees of Declarant or any of its affiliates, or real estate brokers and sales agents who are selling and/or listing Lots and Dwelling as within the Development. Spouses and Dependent Children of such designated individuals shall have access to and use of the Recreational Amenities on an equal and equivalent basis as Owners' spouses and Dependent Children, and such designated individuals' guests and non-Dependent Children shall have access to and use of the Recreational Amenities in accordance with such rules, regulations, fees, and charges as are from time to time established by the Board with respect to Owners' guests, Tenants, and non-Dependent Children.

**5.3.4 Guests and Children Accompanied By Owner.** All guests and children of Owners and of individuals designated by Declarant pursuant to this Section 5.3, as well as Tenants of Owners who are not assigned their respective Owners' rights pursuant to the provisions herein above provided, shall at all times when using the Recreational Amenities be accompanied by an Owner or their spouses or by individuals designated by Declarant in accordance herewith or their spouses, provided that a waiver of such requirement may be made at any time in accordance with rules and regulations promulgated by the Board of Directors.

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

**5.4 Access. Ingress and Egress:** All Owners, by accepting title to property conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such property and acknowledge and agree that such access, ingress, and egress shall be limited to roads, sidewalks, walkways, trails, and waterways located within the Development

from time to time, provided that pedestrian and vehicular access to and from all such property shall be provided at all times.

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

(a) The Declarant, or the Association after title to any private streets and roadways has passed to it from the Declarant, may post "no parking" signs along such private streets and roadways within the Development where it, in its sole discretion, determines appropriate to do so. Violators of said "no parking" signs are subject to having their vehicles towed away and shall be required to pay the cost of such towing and storage before their vehicle may be recovered. The act of towing said vehicles shall not be deemed a trespass or a violation of the Owners' property rights, because the Owner shall be deemed to have consented to such action by accepting the right to use the private roads and streets within the Development.

5.4.2 Public Roadways Within Development. The Declarant reserves the right, but is not obligated to dedicate any portion of the roadways within the Development not otherwise denominated to be Common Areas to the State of South Carolina or any political subdivision thereof for the purpose of granting public access thereto and over said roadway. The Declarant further reserves the right to impose upon the Association the requirement of maintaining any such dedicated roadway until such time as the roadway is brought up to standards acceptable to such public body and maintenance thereof is assumed by such public body; provided, however, Declarant may, in its sole discretion, reserve an easement over any such public roadway to be primarily maintained by such public body for the purpose of doing additional maintenance to said public streets and roads and to maintain landscaping along the unpaved rights-of-way thereof, and thereafter denominate in a Site Plan or Supplemental Declaration that said easement shall constitute Common Areas of the Development to be maintained by the Association. The Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 11.5. hereof, in an amount sufficient to provide funds required to bring any roadway up to standards acceptable to any public body for the assumption by it of maintenance of said roadway.

5.5 Easements for Declarant. During the period that Declarant owns any of the Property for sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, Declarant shall have an alienable and transferable right and easement on, over, through, under, and across the Common Areas for the purpose of constructing improvements in and to the Lots, Neighborhood Areas, Multi-Family Tracts, Commercial Sites, Development Unit Parcels, Unsubdivided Land, and the Additional Property and for installing, maintaining, repairing and replacing such other improvements to the Property (including the Recreational Amenities and other portions of the Common Areas) as are contemplated by this Declaration or

as Declarant desires, in its sole discretion, including, without limitation, any improvements or changes permitted and described by Article 2, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided in no event shall Declarant have the obligation to do any of the foregoing.

5.6 Changes in Boundaries, Additions to Common Areas. Declarant expressly reserves for itself and its successors and assigns, the right to change and realign the boundaries of the Common Areas and any Lots, Dwellings, Neighborhood Areas, Multi-Family Tracts, Commercial Sites, Commercial Units, Development Unit Parcels and/or Unsubdivided Land between such adjacent properties owned by Declarant, provided that any such change or realignment of boundaries shall not materially decrease the acreage of the Common Areas and shall be evidenced by a revision of or an addition to the Site Plan which shall be filed Of Record. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time any portion of the Additional Property, such real property to be conveyed to the Association as an addition to the Common Areas and subject to the provisions of Section 2.2. Furthermore, Declarant reserves for itself, its affiliates, successors, and assigns the right, but shall not have the obligation, to convey by quit-claim deed to the Association at any time and from time to time, as an addition to the Common Areas any marsh lands owned by Declarant which are located adjacent and contiguous to the Development, and in accordance with the terms, conditions, restrictions and easements set forth in Article 3.

5.7 Easements for Utilities. There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement, as well as the power to grant and accept easements to and from any public authority or agency, public service district, public or private utility, or other person, upon, over, under, and across (a) all of the Common Areas in accordance with this Declaration; (b) all portions of the Recreational Amenities in which improvements are not constructed or erected; (c) all portions of the Neighborhood Areas and in which Dwellings are not constructed or erected; (d) all portions of the Commercial Sites in which Commercial Units are not constructed; (e) those strips of land, ten (10') feet in width, running adjacent to and parallel with the front and rear lines of Lots, and fifteen (15') feet in width running seven and one-half (1/2) feet on either side of the side lot line of each Lot, not to conflict with any drainage easements thereon, and as further shown on the Site Plan; and (f) such other such easement areas shown on any Site Plan or recited in any Supplemental Declaration for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers and drainage systems and electrical, gas, telephone, water, and sewer lines. Such easements may be granted or accepted by Declarant, its successors or assigns, or by the Board of Directors, provided, however, that for so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10. 1 and 13. 1 the Board of Directors must obtain the written consent of Declarant prior to granting and accepting any such easements. To the extent practical, in Declarant's sole discretion, all utility lines and facilities serving the Development and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Development so encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to grade, excavate, or fill, or (iv) to take any other similar action reasonable necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

5.8 Easement for Walks, Trails and Signs. There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement upon, over and across (a) all portions of the Neighborhood Areas in which Dwellings are not constructed or erected, and (d) all areas shown and noted on any Site Plan or described in any Supplemental Declaration for the installation maintenance, and use of sidewalks, leisure trails, bike paths, traffic directional signs, and related improvements.

5.9 Easements for Association. There is hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot, Dwelling, Neighborhood Area, Multi-Family Tract, Commercial Site, Commercial Unit, or Development Unit Parcel or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner directly affected thereby.

5.10 Easements for Additional Property. There is hereby reserved in Declarant, and its successors, assigns, and successors-in-title to the Additional Property, for the benefit of and as an appurtenance to the Additional Property and as a burden upon the Property, perpetual, non-exclusive rights and easements for (a) pedestrian, vehicular, and boating access, ingress, egress, parking, and docking over, across, within, and on all private roads, sidewalks, trails, parking facilities, and lagoons, from time to time located within the Common Areas or within easements serving the Common Areas, (b) the installation, maintenance, repair, replacement, and use within the Common Areas, and those portions of properties encumbered pursuant to Section 5.7 of security systems and utility facilities and distribution lines, including, without limitation, drainage systems, storm sewers, and electrical, gas, telephone, water sewer, and master television antenna and/or cable system lines, and (c) drainage and discharge of surface water onto and across the Property, provided that such drainage and discharge shall not materially damage or affect the Development or any improvements located thereon. Furthermore, in the event that the Additional Property or any portion or portions thereof are not added to the Development, then owners of residential units located therein shall also have, and there is hereby reserved for their benefit and as an appurtenance to their respective residential units, the perpetual, non-exclusive right and easement of access to and use and enjoyment of all of the Recreational Amenities, on a basis which is equal and equivalent to that enjoyed by Owners; provided, however, that as a condition precedent to the use of the Recreational Amenities by any such owner of a residential unit within any portion of the Additional Property not so added to the Development, such owner shall pay the Association Annual Assessments for the use of the Recreational Amenities, with such Annual Assessments to be calculated on the basis of an equitable proration among the Owners and those owners of residential units in such portions of the Additional Property who use the Recreational Amenities of those Common Expenses which are attributable to the maintenance, repair, replacement, and operation of the Recreational Amenities, Families, Tenants, and guests of such owners within such portions of the Additional Property who pay such Assessments shall also have access to and use of the Recreational Amenities on an equal and equivalent basis as that enjoyed by families, Tenants, and guests of Owners, respectively.

5.11 Maintenance Easement. There is hereby reserved for the benefit of Declarant, the Association, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement to enter upon any property subject to this Declaration for the purpose of providing insect and reptile control, mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash, so

as to maintain reasonable standards of health, fire safety, and appearance within the Development, provided that such easements shall not impose any duty or obligation upon Declarant or the Association to perform any such actions, or to provide garbage or trash removal services. Furthermore, it is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns, an alienable, transferable, and perpetual right and easement, but not the obligation, to enter upon any unimproved portions of properties subject to this Declaration which are located within fifteen (15') feet from the water's edge of any lagoon, pond or other body of water within the Development for the purpose of (a) mowing such area and keeping the same clear and free from unsightly growth and trash, (b) maintaining such bodies of water, such maintenance to include, without limitation, dredging and the maintenance of reasonable water quality standards, and (c) installing, constructing, repairing, replacing, and maintaining docks and bulkheads, provided that the foregoing reservation of easements should not be deemed to and shall not in any way limit the responsibility therefore by Owners under Section 7. hereof. The costs thereof incurred as a result of the action or in action of any Owner shall be paid by such Owner.

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

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

5.14 Encroachments for Docks. There shall exist valid and perpetual easements, appurtenant to any Lot, Dwelling, or Neighborhood Area located adjacent to any lagoons, ponds, creeks or rivers from time to time located within the Development, for the encroachment of docks, wharves, bulkheads, boat slips, and for the maintenance, repair, and replacement thereof for so long as such encroachment exists, provided that the location of such docks, wharves, bulkheads, and boat slips, and boathouses shall be subject to the prior, approval of the Architectural Review Board pursuant to Article 4 and in accordance with the specific provisions of Article 3.

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

## ARTICLE 6. MEMBERSHIP

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

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

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

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

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

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

TYPE E: Type E Members shall be the Owners of Development Unit Parcels. No specific number of votes is reserved hereunder for Development Unit Parcels, there being none at the date hereof. The number of votes for each Development Unit Parcel

owned by an Owner shall be that number as shall be set forth in a Supplemental Declaration upon the designation of any of the Additional Property as a Development Unit Parcel.

**TYPE F:** The Type F Member shall be the Declarant or its successors and assigns as Owner Of Unsubdivided Land. No specific number of votes is reserved hereunder for Unsubdivided Lands, there being none at the date hereof. The number of votes for each piece, parcel or tract constituting Unsubdivided Land, and which is not contiguous to another such piece, parcel or tract, owned by the Declarant shall be that number as shall be set forth in a Supplemental Declaration upon the designation of any of the Additional Property as an Unsubdivided Land.

**TYPE G:** The Type G Member shall be the Declarant or its designated assign. The Type G Member shall be entitled to one (1) vote for each vote held by Type A, B, C, D, E, and F Members, plus one (1) vote, until the first of the following dates: (i) December 31, 2010; (ii) the date on which Declarant's right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10. 1 and 13. 1 " is terminated; or (iii) the date the Type G Member relinquishes its voting rights as a Type G Member in a Supplemental Declaration filed Of Record. Thereafter, the Type G Member shall exercise votes only as to its Type A, B, C, D, E, and F Memberships.

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

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

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

**6.3 Governance.** The Association shall be governed by a Board of Directors consisting of Three (3), Five (5), Seven (7), Nine (9), or Eleven (11) members. Initially, the Board shall consist of

Three (3) members, with the number in subsequent years to be determined by the members of the Board of Directors as provided for in the By-laws of the Association.

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

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

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

(a) At any meeting, the presence of Members representing one-third (1/3) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business; provided, however, if the required quota is not present, another meeting may be called, not earlier than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and entitled to vote. Unless otherwise provided, any reference hereafter to 11 votes cast at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 6.6, and any other requirements for such duly called meeting which may be established by the Bylaws of the Association. This provision shall not apply when the proposed action is the amendment of this Declaration and the quorum requirement established by Section 13.3 shall govern in that instance.

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

6.7 Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing, and in accordance with the By-Laws. Notwithstanding the foregoing, Members shall irrevocably appoint Declarant as their attorney in fact pursuant to Section 13.1 herein to vote on those matters reserved to and designated for Declarant, as set forth in that Section.



6.8 Voting By Proxy. When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association, a statement of certain motions to be introduced for vote of the Members and a ballot in the form of a proxy on which each Member may, subject to Section 13.1. herein, vote for or against the motion. Each proxy which is presented at such meeting shall be counted in calculating the quorum requirements set out in Section 6.6. Provided, however, such proxies shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the proxy.

## ARTICLE 7. MAINTENANCE

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

### 7.2 Association's Responsibility

7.2.1 General. Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, and any other easement area

encumbering properties of Owners for which the Association is responsible under this Declaration, including responsibility prior to transfer to the Association in accordance with Section 2.3, or any Supplemental Declaration, which responsibility shall include the maintenance, repair, and replacement of (a) the Recreational Amenities, (b) all private roads, road shoulders, walks, trails, harbors, lagoons, ponds, parking lots, landscaped areas, and other improvements situated within the Common Areas or easements, (c) security systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of its said properties and which are not maintained by a public authority, public service district, public or private utility, or other person, and (d) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within or upon its said properties. The Association shall not be liable for injury or damage to any person or property (i) caused by the elements or by any Owner or any other person, (ii) resulting from any rain or other surface water which may leak or flow from any portion of its properties, or (iii) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of its properties or any other portion of the Property. No diminution or abatement of Assessments or Recreational Charges shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such Assessments and Recreational Charges being a separate and independent covenant on the part of each Owner.

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

ARTICLE 8. INSURANCE AND CASUALTY LOSSES8.1 Insurance.

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

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

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

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

- (a) All policies shall be written with a company licensed to do business in the State of South Carolina and holding a rating of A or better in such financial categories as established by Best's Insurance Reports, if such a company is available or, if not available, its equivalent rating or the best rating possible.
- (b) All property insurance policies shall be for the benefit of the Owners and their Mortgagees as their interests may appear.
- (c) All policies shall contain a waiver of the insurer's right to cancel without first giving thirty days' prior written notice of such cancellation to the Association and to any Mortgagee to which a mortgagee endorsement has been issued.
- (d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees, and all policies shall contain a provision that the "other insurance"

clauses in such policies exclude from consideration policies obtained by individual Owners or their Mortgagees.

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

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

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

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

8.2 Damage or Destruction to Common Areas. Immediately after the damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Article 8, means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the fire or other casualty. Unless within sixty (60) days following any damage or destruction to all or a part of the Common Areas, Declarant, for so long as Declarant owns any of the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, and the Board acting on the vote of at least seventy-five percent (75%) of the vote of the Members present, in person or by proxy, and entitled to vote at a duly called meeting of the Members, shall otherwise agree, the Association shall restore or replace such damaged improvements. If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 11.5. 1 hereof, such Special Assessment to be in an amount sufficient to provide funds to pay such excess cost or repair or reconstruction. Such a Special Assessment shall be levied against the Owners equally in the same manner as Annual Assessments are levied, and additional Assessments may be made at any time during or following the completion of any repair or reconstruction. Any and all sums paid to the Association under and by virtue of such Assessments shall be held by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds and Assessments shall be disbursed by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board of Directors. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the

Association. If it is determined that the damage or destruction for which the insurance proceeds are paid shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association, and the ruins of the Common Areas damaged or destroyed by fire or other casualty shall be cleared and the Common Areas left in a clean, orderly, safe, and sightly condition.

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

#### ARTICLE 9. CONDEMNATION

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

9.1.1 Common Areas With Improvements. If the taking or sale in lieu thereof involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant, for so long as Declarant owns any of the Property primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, and the Board, acting on the vote of seventy-five percent (75%) of the votes cast by the Members present, in person or by proxy, and entitled to vote at a duly called meeting of the Members, shall otherwise agree, the Association shall restore or replace such improvements so taken, to the extent practicable, on the remaining lands included in the Common Areas which are available therefore, in accordance with the plans approved by the Board of Directors, the Architectural Review Board, and by Declarant, for so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10. 1 and 13. 11. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 11.5, such Special Assessment to be in an amount sufficient to provide funds to pay such excess cost or repair reconstruction. Such a Special Assessment shall be levied against the Owners equally in the same manner as Annual Assessments are levied, and additional Special Assessments may be made at any time during or following the completion of any repair or reconstruction. If such improvements are not to be

repaired or restored, the award or proceeds shall be retained by and for the benefit of the Association.

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

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

## 9.2 Condemnation of Owners' Properties.

9.2.1 Election Not To Restore. In the event that all or any part of a property subject to this Declaration, or any improvements thereon is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and in the further event that the Owner of such property responsible for the maintenance and repair thereof elects not to restore the remainder of such property, then the Owner making such election shall promptly clear away any remaining improvements damaged or destroyed by such taking or conveyance and shall leave such property and any remaining undamaged improvements thereon in a clean, orderly, safe, and sightly condition. In addition, if the size or configuration of such property remaining after such taking or conveyance is insufficient to permit the restoration of the remaining improvements thereon or therein to their condition prior to such taking or conveyance in compliance with all applicable standards, restrictions, and provision of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations, then such Owner shall have the option, after clearing away all remaining improvements or portions thereof and placing the remainder in a clean, orderly, safe, and sightly condition referred to above, of deeding the remaining portion of the property to the Association as a part of the Common Areas, and thereafter any such Owner shall not have any further voting rights or membership rights or privileges in the Association or with respect to the Development and shall not be subject to any further Assessments imposed by the Association and payable after the date of such deeding and attributable to such property deeded to the Association.

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

ARTICLE 10. FUNCTIONS OF THE ASSOCIATION

10.1 Board of Directors and Officers. The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of the Act, this Declaration, the By-Laws, or the Articles of Incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Owners. As provided in Section 13.1 hereof and notwithstanding any other provision to the contrary contained in any instruments evidencing or establishing the Development, Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following dates: (i) December 31, 2010; (ii) the date on which Declarant has conveyed to Owners other than Declarant property representing ninety (90%) percent of the total number of Lots, Dwellings and Commercial Units Intended for Use on all of the Property as set forth in a Supplemental Declaration, making specific reference to this Section; or (iii) the date the Declarant surrenders the authority to appoint and remove directors and officers of the Association by an express amendment to this Declaration executed and filed Of Record by Declarant. Each Owner, by acceptance of a deed to or other conveyance of a Lot or Dwelling, vests in Declarant such authority to appoint and remove directors and officers of the Association as provided by this Section 10. 1 and by Section 13. 1 hereof

10.2 Duties and Powers. The duties and powers of the Association shall be those set forth in the provision of the Act, this Declaration, the By-Laws, and the Articles of Incorporation, together with those reasonably implied to effect the purposes of the Association; provided; however, that if there are conflicts or inconsistencies between the Act, this Declaration, the By-Laws, or the Articles of Incorporation, the provisions of the Act, this Declaration, the Articles of Incorporation, and the By-Laws, in that order, shall prevail, and each Owner of a property within the Development, by acceptance of a deed or other conveyance therefore, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, together with every other right or privilege reasonable to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Such powers of the Association shall include, but shall not be limited to, the power to purchase one or more properties subject to this Declaration and to hold, lease, mortgage, sell, and convey the same. Such duties may include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a Common Expense or by billing directly to the Owners to furnish trash collections, water, sewer, and/or security service for the properties subject to this Declaration. Notwithstanding the foregoing provision of this Section 10.2 or any other provision of this Declaration to the contrary, for so long as Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10. 1 and 13. 1, the Association shall not, without the consent of Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Common Areas.

10.2.1 Ownership of Properties. The Association shall be authorized to own, purchase, lease, use under any use agreement, and maintain (subject to the requirements of any Federal, State or Local Governing body of South Carolina) Common Areas, equipment, furnishings, and

improvements devoted to the uses and purposes expressed and implied in this Declaration, including, but not limited to, the following uses:

- (a) For sidewalks, walking paths or trails, bicycle paths, and bridle paths throughout the Property;
- (b) For transportation facilities throughout the Property other than privately owned automobiles, e.g. buses, electric vehicles, etc.
- (c) For security services including security stations, maintenance building and/or guardhouses;
- (d) For providing any of the services which the Association is authorized to offer under Section 10.2.2 below;
- (e) For purposes set out in deeds or long-term leases or use agreements by which Common Areas are conveyed or leased by which use rights are granted to the Association;
- (f) For lakes, play fields, lagoons, waterways, drainage areas and easements, wildlife areas, fishing facilities;
- (g) For water and sewage facilities and any other utilities, if not adequately provided by a private utility or public body; and
- (h) For renourishment and installation and/or maintenance of any shore protection device, including, but not limited to, shore revetments and groins.

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

- (a) Cleanup and maintenance of all private roads, roadways, road shoulders, roadway medians, parkways, lakes, lagoons, waterways, drainage areas and easements, marshes and Common Areas within the Property and also all public properties which are located within or in a reasonable proximity to the Property such that their deterioration would affect the appearance of the Property as a whole;
- (b) Landscaping of sidewalks and walking paths and any Common Areas;
- (c) Transportation facilities other than privately owned automobiles, e.g. buses, electric vehicles, etc.;
- (d) Lighting of sidewalks and walking paths throughout the Property;
- (e) Security provisions including, but not limited to, the employment of security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the Property and assistance to the local police and sheriff departments in the apprehension and prosecution of persons who violate the laws of South Carolina within the Property;



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

(g) The services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this Declaration and to collect regular Annual Assessments, Special Assessments, Emergency Special Assessment, Recreational Charges and other fees and charges collectable from the Owners hereunder;

(h) To take any and all actions necessary to enforce these and all covenants and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Property;

(i) To set up and operate an architectural review board in the event that the Association is assigned the Architectural Control function by the Declarant pursuant to Section 4.2. 1

(j) To conduct recreation, sport, craft, and cultural programs of interest to Members, their children and guests;

(k) To provide legal and scientific resources for the improvement of air and water quality within the Property;

(l) To provide safety equipment for storm emergencies;

(m) To construct improvements on Common Areas for use for any of the purposes or as may be required to provide the services as authorized in this Section;

(n) To provide administrative services including but not limited to legal, accounting and financial; and communications services informing Members of activities, notice of Meetings, Referendums, etc., incident to the above listed services;

(o) To provide liability and hazard insurance covering improvements and activities on Common Areas;

(p) To provide water, sewage, and any necessary utility services not provided by a public body, private utility or the Declarant;

(q) To provide, conduct, or maintain water pollution and shoreline erosion abatement measures including, without limitation, maintenance and repair of shore revetments and groins;

(r) To provide any or all of the above listed services to another association or Owners of real property under a contract, the terms of which must be approved by the Board of Directors; and

(s) To provide for hearings and appeal process for violations of rules and regulations.

**10.3 Agreements.** Subject to the prior approval of Declarant for so long as Declarant has the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1 and 13. 1, all agreements and determinations lawfully authorized by the Board of Directors shall be binding upon the Association and all Owners, their heirs, legal representatives, successors, and assigns, and all others having an

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

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

10.5 Management Agreement. Ginn-LA Parkers Island, L.P. or an affiliate may be employed as the manager of the Association and the Development for such period of time as Declarant has the right to appoint and remove officers and directors of the Association, with the option on the part of Ginn LA Parkers Island, L.P. or its affiliate to renew such employment for three (3) successive one-year terms from and after the termination of such appointment and removal right. Every grantee of any interest in the Development, by acceptance of a deed, or other conveyance of such interest, shall be deemed to ratify such management agreement.

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

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

10.8 Reduction in Services. During the calendar years of 2000 and 2001, the Board of Directors of the Association shall define and list a minimum level of services which shall be furnished by the Association. So long as the Declarant is engaged in the development of properties that are subject to the terms of this Declaration, the Association shall not reduce the level of services it furnishes below such minimum level. Such minimum level of service shall expressly include an obligation of the Association to maintain the Common Areas and pay the costs and expenses set forth in any lease or use agreement therefore.

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

## ARTICLE II - ASSESSMENTS

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

11.2 Creation of Lien and Personal Obligation of Assessments. Each Owner, by acceptance of a deed or other conveyance thereof, -whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association: (a) Annual Assessments, such Assessments to be established and collected as provided in this Section 11.2, (b) Special Assessments, such Assessments to be established and collected as provided in Section 11.5, (c) Emergency Special Assessments, such Assessments to be established and collected as provided in Section 11.6, (d) individual or specific Assessments against any particular property which are established pursuant to the terms of this Declaration, including, but not limited to, fines as may be imposed against a property in accordance with Article 12 hereof. Any such Assessments and any Recreational Charges payable, together with late charges, simple interest at the rate of fifteen percent (15%) per annum, and court costs and attorneys' fees incurred to enforce or collect such Assessments or Recreational Charges, shall be an equitable charge and a continuing lien upon the property of the Owner thereof which is responsible for payment. Each Owner shall be personally liable for Assessments or Recreational Charges coming due while he is the Owner of

a property, and his grantee shall take title to such property subject to the equitable charge and continuing lien therefore, but without prejudice to the rights of such grantee to recover from his grantor any amounts paid by such grantee therefore; provided, however, the lien for unpaid Assessments or Recreational Charges shall not apply to the holder of any Institutional Mortgage or to the holder of any Mortgage securing a loan made by Declarant, its affiliates, successors, or assigns, and who takes title to a Lot or Dwelling through foreclosure, or to any purchaser of such property through foreclosure. In the event of co-ownership of any property subject to this Declaration, all of such co-Owners shall be jointly and severally liable for the entire amount of such Assessments and Recreational Charges. Assessments and Recreational Charges shall be paid in such manner and on such dates as may be fixed by the Board of Directors in accordance with Section 11.3.5, provided that unless otherwise provided by the Board, the Annual Assessments shall be paid in equal monthly installments.

**11.3 Establishment of Annual Assessment.** It shall be the duty of the Board of Directors at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The Board shall cause the budget and the proposed total of the Annual Assessments to be levied against properties subject to this Declaration for the following year to be delivered to each Owner at least fifteen (15) days prior to such meeting. The total Annual Assessments shall be divided among the said properties as follows:

- (a) Each Lot shall be subject to the same Annual Assessments as a Dwelling Unit.
- (b) Each other type of property provided under this Declaration shall bear an Assessment equal to that amount, or in accordance with a formula, set forth in a Supplemental Declaration hereto

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

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

**11.3.3 Special Meeting to Increase.** If the Board of Directors of the Association, by majority vote, determines that the important and essential functions of the Association will not be properly funded in any year by the Annual Assessment herein provided, it may call a special meeting of the Members in accordance with the provisions of Section 6.5 herein requesting

approval of a specified increase in such Assessment. The proposed increased Assessment shall be levied upon the affirmative vote of two-thirds (2/3) of the votes cast by Members present, in person or by proxy, and entitled to vote at the special meeting. An increase in Annual Assessments in any year pursuant to a special meeting taken as aforesaid shall in no way affect Annual Assessments for subsequent years.

11.3.4 Initial Annual Assessments. The initial Annual Assessment for all Owners of Lots and Dwellings for the calendar year in which this Declaration is filed Of Record shall be \_\_\_\_\_ per month, which sum shall cover the projected cost to the Association of the Master Association Assessment, and the costs and expenses of the Association set forth in the initial budget for the Development; provided, however, the Board of Directors may charge a lesser amount until such time as said improvements constituting Common Areas have been substantially completed.

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

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

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

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

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

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

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

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

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

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

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

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

11.4.1 Change in Maximum Amounts Upon Merger or Consolidation. The limitations of Section 11.4 shall apply to any merger or consolidation in which the Association is authorized to participate under Section 2.2.31, and under the Bylaws of the Association.

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

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

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

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

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

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

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

11.8 Individual Assessments. Any expenses of the Association or the Declarant occasioned by the conduct of less than all of the Owners or by the family, Tenants, agents, guests, or invitees of any Owner shall be specially assessed against such Owners and their respective Lots or Dwellings. The individual Assessments provided for in this Section 11. 8 shall be levied by the Board of Directors and the amount and due date of such Assessment so levied by the Board shall be as specified by the Board.

11.9 Effect of Nonpayment, Remedies of the Association. Any Assessments or Recreational Charges of an Owner or any portions thereof which are not paid when due shall be delinquent. Any Assessment or Recreational Charges delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time and, upon adoption of a policy therefore by the Board of Directors, shall also commence to accrue simple interest at the rate of fifteen percent (15%) per annum. A lien and equitable charge as herein provided for each Assessment or Recreational Charge shall attach simultaneously as the same shall become due and payable, and if an Assessment or Recreational Charge has not been paid within thirty (30) days, the entire unpaid balance of the Assessment or Recreational Charge may be accelerated by the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such Assessment or Recreational Charge shall include the late charge established by the Board of Directors, and, upon adoption of a policy therefore by the Board of Directors, interest on the principal amount due at the rate of fifteen percent (15%) per annum, all costs of collection (including reasonable attorneys' fees and court costs), and any other amounts provided or permitted hereunder or by law. In the event that the Assessment or Recreational Charge remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determined, institute suite to collect such amounts and to foreclose its lien. The equitable charge and lien provided for in this shall be in favor of the Association, and each Owner, by his acceptance of a deed or other conveyance to a Lot or Dwelling, vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such Assessments and Recreational Charges as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The Association shall have the power to bid on the Lot or dwelling at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the Assessments and Recreational Charges provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his Lot or Dwelling, and an Owner shall remain personally liable for Assessments, Recreational Charges, interest, and late charges which accrue prior to a sale, transfer, or other conveyance of his Lot or Dwelling.

11. 10 Certificate. The Treasurer, any Assistant Treasurer, or the manager of the Association shall, within ten (10) days of a written request and upon payment of such fee as is from time to time determined by the Board of Directors, furnish to any Owner or such Owner's Mortgagee which requests the same, a certificate in writing signed by said Treasurer, Assistant Treasurer, or manager setting forth whether the Assessments and Recreational Charges for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, accrued interest, and other penalty charges. Such certificate shall be conclusive evidence against all but such Owner of payment of any Assessments and Recreational Charges stated therein to have been paid.

11. 11 Date of Commencement of Assessments. The Assessments provided for herein shall commence as to property subject to this Declaration on the date on which such property is conveyed to a person other than Declarant and shall be due and payable in such manner and on



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

11. 11. 1 Working and Recreation Contribution Collected At Closing. Each Owner of a property subject to this Declaration, other than Declarant, shall pay to the Association a sum equal to two (2) months of the Annual Assessment for working capital, which cost, when paid, can be recovered from the grantee of an Owner upon conveyance of said property defined as the grantee of Declarant, and the Owner shall pay \$3,750.00 for Recreation Contribution. Such sums are and shall separate and distinct from Annual Assessments and shall not be considered advance payments of Annual Assessments. Each such Owner's share of working capital, as aforesaid, shall be collected from such Owner upon his purchase of property subject to this Declaration, and must be transferred to the Association at the time of closing the conveyance from the Declarant to the Owner.

#### ARTICLE 12. RULE MAKING

12.1 Rules and Regulations. Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots, Dwellings, Neighborhood Areas, and the Common Areas, and facilities located thereon, including, without limitation, the Recreational Amenities. In particular but without limitation, the Board of Directors may promulgate from time to time rules and regulations which shall govern activities which may, in the judgment of the Board of Directors, be environmentally hazardous, such as application of fertilizers, pesticides, and other chemicals. Copies of such rules and regulations and amendments thereto shall be finished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, Tenants, guests, invitees, servants, and agents, until and unless any such rule or regulation be specifically overruled, cancelled, or modified by the Board of Directors or in a regular or special meeting of the Association by the vote of the Owners, in person or by proxy, holding a majority of the votes cast, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant has the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10. 1 and 13. 1 hereof.

12.2 Authority and Enforcement. Subject to the provisions of Section 12.3 hereof, upon the violation of this Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any Assessments or Recreational Charges, the Board shall have the power (i) to impose reasonable monetary fines which shall constitute an equitable charge and a continuing lien upon the Lot or Dwelling, the Owners, occupants, or guests of which are guilty of such violation, (ii) to suspend an Owner's right to vote in the Association, or (iii) to suspend an Owner's right (and the right of such Owner's family, guests, and Tenants and of the co-Owners of such Owner and their respective families, guests, and

Tenants) to use any of the Common Areas and Recreational Amenities, and the Board shall have the power to impose all or any combination of these sanctions; provided, however, an Owner's access to its property over the private roads and streets constituting Common Areas will not be terminated hereunder. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guests, or Tenants or by his Co-Owners or the family, guests, or Tenants of his Co-Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

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

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

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

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

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

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

ARTICLE 13. GENERAL PROVISIONS

13.1 Control of Declarant. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION, OR IN THE BY-LAWS OF THE ASSOCIATION, Declarant hereby retains the right to appoint and remove any member or members of the Board of Directors of the Association and any officer or officers of the Association as provided by and for the term set forth in Section 10. 1 hereof. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove directors and officers of the Association in accordance With the foregoing provisions of this Section 13.1 and the provisions of Section 10. 1. The provisions of this Section 13.1 are supplemental to, and not in substitution of, the rights retained by Declarant pursuant to this Declaration.

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

13.1.2 Creation of New Board. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of Section 10. 1 and this Section 13. 1, such right shall pass to the Owners, including Declarant if Declarant then owns one or more properties subject to this Declaration, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board of Directors, and Declarant shall deliver all books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

13.2 Amendments by Declarant. During any period in which Declarant retains the right to appoint and remove any directors and officers of the Association as set forth in Sections 10. 1. and 13.1, Declarant may amend this Declaration by an instrument in writing filed Of Record without the approval of any Owner or Mortgagee provided, however, that, with the exception of the addition of any portion of the Additional Property to the terms of this Declaration, (i) in the event that such amendment materially alters or changes any Owner's right to the use and

enjoyment of his Lot, Dwelling, Neighborhood Area, or the Common Areas as set forth in this Declaration or adversely affects the title to any Lot, Dwelling, or Neighborhood Area, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby; (ii) in the event that such amendment would materially and adversely affect the security title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected; and (iii) in the event that such amendment also is an amendment to the Bylaws, the amendment will be adopted pursuant to the applicable procedures of the Act. Notwithstanding the foregoing to the contrary, the expiration or termination of the right of Declarant to appoint and remove any directors and officers of the Association shall not terminate Declarant's right to amend the Declaration for the purpose of submitting the Additional Property or any portion thereof to the provisions of this Declaration as provided in Section 2.2 hereof Any amendment made pursuant to this Section 13.2 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and shall be effective only upon it being filed Of Record or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot of Dwelling, agrees to be bound by such amendments as are permitted by this Section 13.2 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Development (a) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule, or regulation or any judicial determination which shall be in conflict therewith, (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any properties subject to this Declaration, (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any properties subject to this Declaration, or (d) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the properties or other improvements subject to this Declaration.

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

- (a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each Member of the Association.
- (b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by Members of the Association. Such amendment must be approved by the affirmative vote of Members present, in person or by proxy, entitled to vote and holding at least two-thirds (2/3) of the total votes in the Association; provided, however, (i) that any amendment which materially and adversely affects the security title and interest of any Mortgagee must be approved by such Mortgagee; (ii) during any period in which Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association pursuant to Sections 10.1 and 13.1 such amendment must be approved by Declarant; and (iii) in the event that such amendment also is an amendment to the Bylaws, the amendment will be adopted pursuant to the applicable procedures of the Act.
- (c) The agreement of the required percentage of the Owners and, where required, Declarant and any Mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, the sworn statement of the President of the Association

attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when filed Of Record or at such later date as may be specified in the amendment itself.

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

13.4 Enforcement. Each Owner shall comply strictly with the By-Laws and the published rules and regulations of the Association adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his Lot or Dwelling, if any. Failure to comply with any of the same shall be grounds for imposing fines, for suspending voting rights or rights of use in and to the Recreational Amenities, or for instituting an action to recover sums due, for damages, and/or for injunctive relief, such actions to be maintainable by Declarant, the Board of Directors on behalf of the Association, or, in a proper case, by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws, and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation or breach. No delay, failure, or omission on the part of Declarant, the Association, or any aggrieved Owner in exercising any right, power, or remedy thereafter as to the same violation or breach, or to a violation or breach occurring prior or subsequent thereto, shall bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, of the provisions of this Declaration, the By-Laws, or any rules and regulations of the Association by any person, however long continued.

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

votes to terminate this Declaration, an instrument evidencing such termination shall be filed of Record, such instrument to contain a certificate wherein the President of the Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in any Property, by acceptance of a deed or other conveyance therefore, thereby agrees that the provisions of this Declaration shall run with and bind title to the Property as provided hereby.

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

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

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

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

(d) The Declarant, or the Trustee, as the case may be, shall be required to use the funds collected as Annual Assessments for the operation, maintenance, repair and upkeep of the Declarant or Trustee may charge as part of the cost of such functions the reasonable value of its services in

carrying out the duties herein provided. Neither the Declarant nor the Trustee shall have the obligations to provide for operation, maintenance, repair and up-keep of the Common Areas once the funds provided by the Annual Assessment have been exhausted.

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

The Trustee shall have the power to dispose of the Common Areas (subject to the limitations of Article 3 ), free and clear of the limitations imposed hereby; provided, however, that such disposition shall first be approved in writing by fifty-one (51 %) percent of the Owners of Property within the Property or in the alternative shall be found, in the exercise of reasonable business judgment, to be in the best interest of the Owners of property within the Property. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Areas, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of such Property, then for the payment of any obligations distributed among the Owners of property within the Development, exclusive of the Trustees, in a proportion equal to the portion that the Maximum Annual Assessment on property owned by a particular Owner bears to the total Maximum Annual Assessment for all property located within the Property.

13.7 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Mrs. Rose Kennedy, mother of U. S. Senator Edward Kennedy.

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

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

13. 10 No Implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE DECLARANT PURSUANT TO THESE COVENANTS SHALL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE TO ANY PROPERTY OWNER.

13.11 Vender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions

hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

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

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

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

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

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

13.16 Notices. Notices required hereunder shall be in writing and shall be delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owners' respective Lots or Dwellings. All notices to the Association shall be delivered or sent in care of Declarant to Declarant's main office, Ginn-LA Parkers Island @ 3001 RiverTowne Parkway, Mt. Pleasant South Carolina 29466 or to such other address as the Association may from time to time notify the Owners. All notices to Declarant shall be delivered or sent to Declarant's main office, Ginn-LA Parkers Island @ 3001 RiverTowne Parkway Mt. Pleasant South Carolina 29466 or to such other address as Declarant may from time to time notify the Association. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association. Notices to any other person or persons entitled to same hereunder shall be delivered or sent to such address or addresses as such person or persons specify, from time to time, in writing to the sender, or, in the absence thereof, to such address or addresses as shall be, in the exercise of reasonable judgment by the sender, reasonably expected to be received by such person or persons.

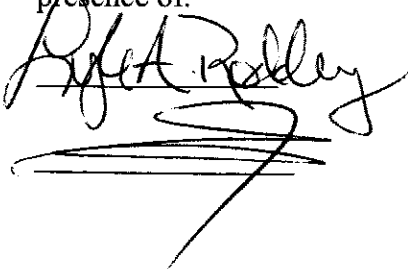


IN WITNESS WHEREOF, duly authorized officers of the undersigned Declarant have executed this Declaration under seal, this 24 day of November 1999.

DECLARANT:

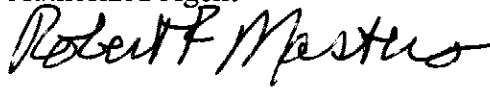
Signed, sealed and delivered in the presence of.

GINN LA PARKERS ISLAND, L.P.  
a Georgia Limited Partnership



By: Ginn Parkers Island GP, LLC  
its General Partner

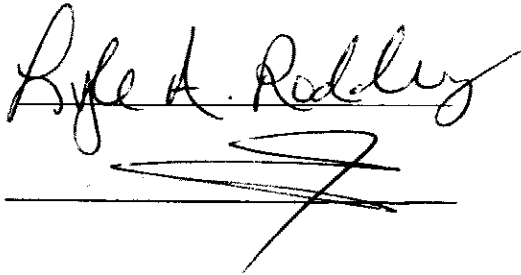
BY: Robert F. Masters  
Its: Authorized Agent



ASSOCIATION ACKNOWLEDGMENT

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

Signed, sealed and delivered in the presence of:



PARKERS LANDING PROPERTY OWNERS  
ASSOCIATION

By: Robert F. Masters  
Its President

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Personally appeared before me the undersigned witness and made an oath that (s)he saw Ginn-LA Parkers Island, L.P., a Georgia Limited Partnership, by Ginn Parkers Island GP, LLC, its General Partner, Robert F. Masters its authorized agent sign, seal, and as its act and deed deliver the within written Declaration of Covenants, Conditions and Restrictions for Parkers Landing, and that (s)he with

the other witness  
Witnessed the execution thereof.

Robert F. Masters (SEAL)

Sworn to before me this 24th  
Day of November, 1999

[Signature]  
Notary Public for South Carolina

My Commission expires: 11-22-05

STATE OF SOUTH CAROLINA  
COUNTY OF CHARLESTON

BK L 338PG089

Personally appeared before me the undersigned / <sup>witness</sup> and made an oath that (s)he saw  
Parkers Landing Property Owners Association, by Robert F. Masters its  
President sign, seal, and as its act and deed deliver the within written Association  
Acknowledgment to the Declaration of Covenants, Conditions and Restrictions Parkers  
Landing and that (s)he with the other witness witnessed the execution  
thereof.

Sworn to before me this 24th  
day of Nov., 1999.

  
Notary Public for South Carolina

My Commission expires: 11-22-05



EXHIBIT "A"  
LEGAL DESCRIPTION

ALL those lot, pieces, or parcel of land, situate, lying and being in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, shown and designated as Lots 1 through 130, "Open Space 22,886 sq. ft." "Open Space 8,502 sq. ft.", "Open Space 233,190 sq. ft.", "Open Space 44,069 sq. ft.", "Open Space 2,304 sq. ft." and "Open Space 17,047 sq. ft." on a plat entitled "CONDITIONAL SUBDIVISION PLAT OF PHASE 1B & 2 RIVERTOWNE COUNTRY CLUB TOWN OF MT. PLEASANT CHARLESTON COUNTY, SOUTH CAROLINA" prepared by Thomas & Hutton Engineering Co., dated September 1, 1999, and recorded October 20, 1999, in Plat Book ED, Pages 536-543 in the RMC Office for Charleston County, said plat being incorporated herein by reference.

Together with the roadways-abutting the above properties as shown on the aforesaid plat which roadways may subsequently be conveyed or dedicated to the Town of Mt. Pleasant.

BY-LAWS  
OF  
PARKERS LANDING  
PROPERTY OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the Corporation is Parkers Landing Property Owners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 3001 RiverTowne Parkway, Mt. Pleasant, South Carolina 29466 but meetings of Members and Directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors.

ARTICLE II

GENERAL

As supplemented herein, the regulation of the business and affairs of the Association shall be governed by certain provisions of the Declaration of Covenants, Conditions and Restrictions for Parkers Landing ("Declaration"), as amended from time to time, which are incorporated herein by reference as if set forth verbatim. The applicable provisions of the Declaration are Sections 2.2.2, 2.2.3, all Sections of Article 6, Sections 8. 1.1 through 8.1.4, 8.2, 9.1, 9. 1. 1, all Sections of Article 10, except Section 10.5, all Sections of Article 11 except Sections 11.2, 11.5.3, 11.7 and 11. 11. 1, all Sections of Article 12, and Sections 13. 1. 1, 13.1.2, 13.3 and 13.5.

ARTICLE III

DEFINITIONS

To the extent applicable, the Definitions set forth in the Declaration are hereby incorporated herein as if set forth verbatim.

ARTICLE IV

MEMBERSHIP

Section 1. General. Membership in the Association shall be as set forth in the Declaration.

Section 2. Suspension Of Rights. The membership rights of any person whose interest in the Property is subject to Assessments under the Declaration whether or not he be personally obligated to pay such Assessments, may be suspended by action of the Directors during the period when the Assessments remain unpaid; but, upon payment of

such Assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of any person thereon, as provided in the Declaration, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations as set forth therein.

ARTICLE V

VOTING RIGHTS

Voting rights in the Association shall be as provided in the Declaration.

ARTICLE VI

PROPERTY RIGHTS AND RIGHTS OF  
ENJOYMENT OF COMMON AREAS

Section 1. Use of Common Areas. Each Member shall be entitled to the use and enjoyment of the Common Areas as provided in the Declaration.

Section 2. Delegation Of Rights. Except as otherwise provided in the Declaration, any Member may delegate his rights of enjoyment in the Common Areas and, with respect to an Owner of a Lot or Dwelling, Recreational Amenities, to the members of his Family who reside upon the Property or to any of his tenants or renters who lease or rent from him. Such Member shall notify the Secretary in writing, of the name of any such person or persons and of the relationship of the Member to such person or person. The rights and privileges of such person or persons are subject to suspension under Article IV hereof to the same extent as those of the Member.

ARTICLE VII

ASSOCIATION PURPOSES AND POWERS

Section 1. Association's Purpose. The Association has been organized for the purposes set forth in the Declaration including, without limitation, the following:

- (a) to own, acquire, build, operate and maintain the Common Areas, including but not limited to Recreational Amenities, parking areas, buildings, structures and personal property incident thereto;
- (b) to clean, clear, trim, remove weeds, limbs, and debris from, and to provide general grounds maintenance for both the Property and the Common Areas;
- (c) to fix Assessments (or charges) to be levied against the Property in the subdivision;

(d) to enforce any and all covenants and restrictions and agreements applicable to the Property; and

(e) to pay taxes and insurance, if any, on the Common Areas.

Section 2. Additions to Property and Membership. Additions to the Property may be made as provided in the Declaration. Such additions, when properly made under a Supplemental Declaration, shall extend the jurisdiction, functions, duties and membership of the Association to such Property.

Section 3. Mergers and Consolidations. Subject to the provisions of the Declaration, and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall be approved by the Members pursuant to the Declaration.

Section 4. Mortgages: Other Indebtedness. The Association shall have the power to mortgage the Common Areas as set forth in the Declaration.

Section 5. Dedication of Property or Transfer of Function to Public Agency or Utility. The Association shall have the power to dispose of its real property or dedicate same only as authorized under the Declaration.

## ARTICLE VIII

### BOARD OF DIRECTORS

Section 1. Board of Directors: Selection: Terms of Office. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors shall consist of three (3) Directors who shall be selected by the Declarant. The Declarant shall have the sole right to appoint and remove any member or members of the Board of Directors of the Association pursuant to Sections 10.1 and 13.1 of the Declaration until the first of the following dates: (i) December 31, 2010; (ii) the date on which Declarant has conveyed to Owners other than Declarant property representing ninety percent (90%) of the total number of Lots, Dwellings and Commercial Units Intended for Use on all of the Property as set forth in a Supplemental Declaration; or (iii) the date the Declarant surrenders the authority to appoint and remove Directors of the Association by an express amendment to the Declaration executed and filed Of Record by Declarant. At the first annual meeting of Members after the occurrence of the first of such events, the Members shall elect five (5) Directors, one of whom must be the President. The Members shall elect two (2) Directors for a term of one (1) year, two (2) Directors for a term of two (2) years and one (1) Director for a term of three (3) years. Notwithstanding the foregoing, in the event that the President is removed from such office pursuant to Article G below, his term as a Director shall expire upon the effective date of such removal.

Section 2. Vacancies in the Board of Directors. Vacancies in the Board of Directors shall be filled by Declarant until Declarant has no authority to appoint Directors and thereafter by the majority of the remaining Directors, or by a sole remaining Director, and any such appointed Director shall serve for the remaining term of his predecessor. In the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors without excuse, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said Director to be vacant.

#### ARTICLE IX

##### ELECTION OF DIRECTORS

Election to the Board of Directors shall be as provided in Article VIII above. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration applicable to the Property. The names receiving the largest number of votes shall be elected.

#### ARTICLE X

##### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Board of Directors' Powers. The Board of Directors shall have power:

- (a) To call special meetings of the Members;
- (b) Subject to Article XII herein, to appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever;
- (c) To establish, levy and assess, and collect the Assessments or charges;
- (d) To adopt and publish rules and regulations governing the use of the Common Areas and Recreational Amenities, and the personal conduct of the Members and their guests thereon;
- (e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the members in the Charter of the Corporation, these Bylaws or the Declaration;
- (f) To fill vacancies on the Board of Directors pursuant to Article VIII above;



- (g) To appoint an Executive Committee of three (3) Directors and delegate all or any portion of the powers of the Board of Directors to this Executive Committee, subject to the limitations on the authority of the Executive Committee imposed by law; and
- (h) To take such other action as provided in the Declaration.

Section 2. Board of Directors' Duties. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs;
- (b) To supervise all officers, agents and employees of this Association and to see that their duties are properly performed;
- (c) To fix the amount of Assessments in accordance with the Declaration;
- (d) To prepare a roster of the Property and Assessments applicable thereto which shall be kept in the Office of the Association and shall be open to inspection by any Member;
- (e) To send written notice of each Assessment to each Property Owner subject thereto;
- (f) To issue upon demand by any Owner or mortgage lender a certificate setting forth whether any Assessment has been paid. Such certificate shall be conclusive evidence of any Assessment therein stated to have been paid.

Section 3. Resignation. A Director of the Association may resign at any time by giving a written notice to the Board of Directors or the President of the Association. The resignation of any Director shall take effect upon delivery of the notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Removal. Except as otherwise provided in the Declaration and in Article VIII herein, any Director may be removed, with or without cause, by a vote of the holders of a majority of the votes of the Members present, in person or by proxy, and entitled to vote at a special meeting of the Members called for that purpose.

ARTICLE XI

DIRECTOR MEETINGS

Section 1. Directors' Annual Meetings. The annual meeting of the Board of Directors shall be held at the discretion of the Board of Directors with ample notice given to each member.

Section 2. Notice. Ten (10) days' written notice of such annual meeting shall be given to each Director.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' notice to each Director.

Section 4. Waiver of Notice; Action Without a Meeting. A Director may waive notice of a meeting of the Directors before or after the date and time stated in the notice. Except as otherwise provided in this Section 4, the waiver must be in writing, signed by the Director entitled to the notice and filed with the minutes or corporate records.

Attendance of a Director at any meeting shall constitute waiver of notice of such meeting, except where the Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting.

If a meeting otherwise valid of the Board of Directors is held without notice where such is required, any action taken at such meeting shall be deemed ratified by a Director who did not attend, unless after learning of the action taken and of the impropriety of the meeting, he makes prompt objection thereto.

Objection by a Director shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

Action taken without a meeting shall be deemed the action of the Board of Directors if all Directors execute, either before or after the action is taken, a written consent thereto and the consent is filed with the records of the Corporation.

Section 5. Board Quorum. The Majority of the Board of Directors shall constitute a quorum thereof.

## ARTICLE XII

### OFFICERS

Section 1. Association Officers. The Officers shall be a President, a Vice-President, a Secretary and a Treasurer. The President shall be a member of the Board of Directors; all other officers may be, but shall not be required to be, members of the Board of Directors.

Section 2. Election of Officers. Declarant shall have the sole right to appoint and remove any officer of the Association pursuant to Sections 10.1 and 13.1 of the Declaration until the first of the following dates: (i) December 31, 2010; (ii) the date on which Declarant has conveyed to Owners other than Declarant property representing

ninety percent (90%) of the total number of Lots, Dwelling and Commercial Units Intended for Use on all of the Property as set forth in a Supplemental Declaration; or (iii) the date the Declarant surrenders the authority to appoint and remove Directors of the Association by an express amendment to the Declaration executed and filed Of Record by Declarant. Thereafter, all officers shall hold office at the pleasure of the Board of Directors.

Section 3. President. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 4. Vice President. The Vice President shall perform all the duties in the absence of the President.

Section 5. Secretary. The Secretary shall be the ex officio Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for such purpose. He shall sign all certificates of membership. He shall keep the record of the Association. He shall record in a book kept for that purpose the names of all Members of the Association, together with their addresses as registered by such Members.

Section 6. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The Treasurer shall sign all checks and notes of the Association, provided that such notes and checks shall also be signed by the President or Vice President.

### ARTICLE XIII

#### LIABILITY AND INDEMNIFICATION

Section 1. Liability of Board Members. No Board Member or Officer of the Association shall be liable to any Property Owner for any decision, action or omission made or performed by such Board Member or Officer in the course of his duties unless such Board Member or Officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these By-laws.

Section 2. Indemnification. The Association shall, to the full extent permitted by Sections 33-31-850 through 33-31-858 inclusive, Code of Laws of South Carolina 1976, as amended, indemnify all persons specifically designated from time to time by the Board of Directors whom it may indemnify pursuant to law. In this connection, the Association is authorized to take out such insurance as it may deem necessary or desirable consistent with the indemnification provisions of 33-31-850 through 33-31-850 inclusive, Code of Laws of South Carolina 1976, as amended.

ARTICLE XIV

MEETINGS OF MEMBERS

Section 1. Membership Annual Meeting. Meetings of the Members shall be held at River Towne, Mount Pleasant, Charleston County, South Carolina, or at such other location within the State of South Carolina as the Board of Directors shall determine, and shall occur at least once a year. An annual meeting of the Members shall be held on a day and time to be designated in the notice of the meeting.

Section 2. Membership Special Meetings. Special Meetings of the Members for any purpose may be called at any time by the President, Vice President, Secretary or Treasurer, or by a majority of the Board of Directors, or upon written request of one-fourth (1/4) of the total vote of the Members.

Section 3. Notice. Notice of any meetings shall be given to the Members by the Secretary in accordance with the Declaration.

Section 4. Voting Requirements. Any action which may be taken by a vote of the Members may also be taken by written consent to such action signed by all Members in person or by proxy.

Section 5. Waiver of Notice. Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver must be delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

Section 6. Quorum. The quorum required for any meeting of Members shall be as set forth in the Declaration.

ARTICLE XV

PROXIES

Section 1. Voting by Proxy. Each Member entitled to vote may vote in person or by proxy at all meetings of the Association.

Section 2. Proxies. All of the provisions of this Section 2 are subject to Section 13.1.1 of the Declaration. To the extent that a provision set forth in this Section is inconsistent with Section 13.1.1 of the Declaration, the provisions of Section 13.1.1 of

the Declaration shall control. All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the Secretary. Unless a proxy otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless otherwise specified therein. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date; and no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Any proxy shall automatically cease upon sale by the Member of the Member's property.

#### ARTICLE XVI

##### INSURANCE

The Board of Directors or its duly authorized agent shall obtain hazard insurance for its improvements and Common Area and a broad form public liability policy covering all common area and all damage or injury caused by negligence of the Association or any of its agents as more fully described in the Declaration.

#### ARTICLE XVII

##### CORPORATE SEAL

The Secretary may have a seal in circular form having within its circumference the name of the Association, the year of its organization and the words "Corporate Seal, South Carolina".

#### ARTICLE XVIII

##### AMENDMENTS

These Bylaws may be amended or repealed and new Bylaws adopted by the Directors so long as Declarant has the authority to appoint the Directors and thereafter by a two-thirds (2/3) vote of the Members present, in person or by proxy, and entitled to vote at a regular or special meeting of the Members; provided that any matter which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

#### ARTICLE XIX

##### FISCAL YEAR

The fiscal year of the Association shall be determined by the Board of Directors.

ARTICLE XX

GENERAL

Section 1. Conflicts. It is intended that the provisions of the Declaration which apply to the governance of the Association, as supplemented by the provisions in these Bylaws which are not contained in the Declaration, shall operate as the Bylaws of the Association. In the case of any conflict between such provisions set forth in the Declaration and these Bylaws, the Declaration shall control.

Section 2. Waiver. No provision of these Bylaws or any regulation promulgated by the Board of Directors pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

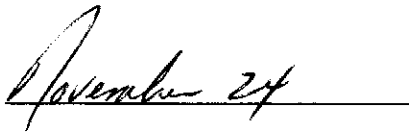
Section 3. Severability. The provisions of these By-laws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Section 4. Captions. Captions are inserted herein only as a matter of convenience and for reference and in way define, limit, or describe the scope of these By-laws or the intent of any provision.

Section 5. Gender and Number. All nouns and pronouns used herein shall be deemed to include the; masculine, the feminine, and the neuter, and the singular shall include the plural and vice versa whenever the context requires or permits.

Section 6. Roberts Rules. All meetings of the membership of the Board of Directors shall be conducted in accordance with Roberts Rules of Orders Revised.

 President,  
Parkers Landing Property Owners Association

, 1999

DODD & HENNESSY, L.L.P.  
ATTORNEYS AT LAW

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CHARLIE LYBRAND  
REGISTER  
CHARLESTON COUNTY SC