

(f) to keep Property values in the subdivisions high, stable and in a state of reasonable appreciation; and

WHEREAS, as hereinafter provided in this Declaration, the Declarants have retained and reserved the right, privilege and option to submit to the provisions of this Declaration at a later time and from time to time as a part of these subdivisions, all or any portion of the property described in Exhibit "B" attached hereto and incorporated herein by reference;

NOW, THEREFORE, the Declarants hereby declare that all of the Property described on Exhibit "B", and any of the Additional Property described on Exhibit "A" as Declarants may in their sole discretion see fit to subject to this Declaration by subsequent amendment hereto, shall be held, mortgaged, transferred, sold, conveyed, leased, occupied and used subordinate and subject to the following easements, restrictions, covenants, charges, liens and conditions which are hereby imposed for the purpose of protecting the value and desirability of these lands and which restrictions, easements, charges, liens, conditions, and covenants shall touch and concern and run with title to the property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in these described properties or any portion of them. This instrument also binds the respective heirs, devisees, fiduciary representatives, successors, successors in title and/or assigns, and shall inure to the benefit of anyone or anything who/which purchases or takes any interest in real property within the lands subject to this Declaration. DECLARANTS SHALL NOT BE OBLIGATED TO IMPOSE ON THE ADDITIONAL PROPERTY OR ANY PORTION OF IT ANY OF THE COVENANTS CONDITIONS OR RESTRICTIONS CONTAINED HEREIN OR ANY COVENANTS, CONDITIONS OR RESTRICTIONS SIMILAR TO THOSE CONTAINED HEREIN, AND THAT PROPERTY NOT SUBMITTED TO THIS DECLARATION WILL BE FREE OF ANY COVENANTS OR CONDITIONS WHATSOEVER UNLESS OTHERWISE AFFIRMATIVELY IMPOSED.

ARTICLE I

DEFINITIONS

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

Section 1.1. Additional Property. Additional Property shall mean and refer to the real property or portions thereof described in Exhibit "A".

Section 1.2. Assessment shall mean and refer to an Owner's share of the Common Expenses or other charges from time to time

assessed against an Owner by the Association in the manner herein provided.

Section 1.3. Association means the Autumn Chase and Magnolia Lakes at Grande Oaks Plantation Homeowners Association, Inc. (a South Carolina nonprofit corporation), its successors and assigns.

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

Section 1.5. By-Laws of the Association shall mean and refer to those By-laws of the Association, attached hereto as Exhibit "C" which govern the administration and operation of the Association, as may be amended from time to time.

Section 1.6. Common Areas shall mean and refer to all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners or designated by the Declarants as Common Areas. Such areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined and are not dedicated for use by the general public, and the general public shall have no easement of use and enjoyment therein.

However, nothing herein contained nor any general plan or plat of the Properties showing areas which may later be developed as additional phases of the subdivision shall be deemed to include such property as Common Areas, nor shall the Association or any Owner be entitled to any right, title or interest in such property unless and until such property shall have been formally included as a part of the subdivision by the Declarants pursuant to the terms herein contained and dedicated as a Common Area by the Declarants and conveyed to the Association.

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

Section 1.8. Declaration shall mean this Declaration, together with all supplements and amendments to this Declaration as filed in the R.M.C. Office for Charleston County, South Carolina.

Section 1.9. Declarants mean Grande Oaks Plantation Lot Option - Charleston, LLC and Beazer Homes Corp., a Tennessee Corporation, acting jointly, their successors and assigns. The Declarants shall have the right to assign any or all rights which

it may possess as Declarant, to the Autumn Chase and Magnolia Lakes Homeowners Association, Inc., or any person or entity; provided, however, that the instrument or assignment shall expressly so provide.

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

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

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

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

Section 1.14. Lot shall mean and refer to: (i) any parcel of Property within the subdivision intended for use as a single-family Lot; (ii) those portions of the subdivision identified as "Lots" on Exhibit "A" attached hereto or on any future subdivision of such Property; and (iii) any townhouse, patio or cluster home, whether detached or attached, but shall not include any Common Areas as defined herein.

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

Section 1.16. Mortgagee shall mean and refer to the holder of a Mortgage.

Section 1.17. Occupant shall mean and refer to any person including, without limitation, any Owner or any guest, invitee, licensee, lessee, tenant, transient paying guest, or family member of an Owner lawfully occupying or otherwise using a Lot.

Section 1.18. Owner shall mean and refer to one or more persons or entities, including Declarant, who or which own(s) fee simple title to any Lot, including contract sellers but excluding

those having such interest merely as security for the performance of an obligation. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner, and shall refer to the Declarants so long as Declarants retains its Class B Membership whether or not Declarants own any Lot.

Section 1.19. Person shall mean and refer to a natural person, corporation, partnership, association, proprietorship, trust, or any other legal entity or any combination thereof.

Section 1.20. Property or Properties shall mean and refer to all property which is subject to this Declaration.

Section 1.21. Recreational Amenities shall include such recreational facilities and improvements owned by and so designated by Declarants which are, from time to time, located within the subdivision or located within or dedicated to the Common Areas including, without limitation, playground areas, ponds, and any clubhouse, park, tennis court, pool, ball field, dock, boat ramp or other recreational facility which may be constructed by the Declarants and dedicated to the common use and enjoyment of the Owners by the Declarants. NO REPRESENTATION OR WARRANTY IS MADE BY DECLARANTS THAT ANY OR ALL OF THESE FACILITIES WILL BE BUILT.

Section 1.22. Subdivision shall mean and refer to those tracts or parcels of land described on Exhibit "B", together with all improvements presently thereon and subsequently constructed thereon, and upon the submission to the provisions of this Declaration of the tracts or parcels of land described in Exhibit "A", or any portion thereof which has been so submitted to this Declaration, together with all improvements thereon or thereafter constructed thereon.

Section 1.23. Subdivision Plat shall mean and refer to those certain plats described on Exhibit "B" attached hereto, together with (1) any future revisions thereof; or (2) any subdivision plat for any portion of the Additional property as may be submitted to the terms of this Declaration and recorded from time to time in the RMC Office for Charleston County, South Carolina.

Section 1.24. Builder shall mean and refer to Beazer Homes Corp. or any future licensed contractor or residential home builder who purchase a Lot for purposes of building a single family dwelling for resale to a third party.

ARTICLE II

PLAN OF DEVELOPMENT

Section 2.1. Plan of Development of the subdivision.

The subdivision initially shall consist of the Property described on Exhibit "B" attached hereto. The Property shall also include certain improvements to the Common Areas, including utility systems, drainage systems and other improvements serving the Lots, and various Recreational Amenities to the extent the same are, from time to time, installed and existing and submitted to the provisions hereof. The dimensions of the Property constituting the subdivision are shown on the subdivision Plat. The Properties within the subdivision are shown on the subdivision Plat. The Property within the subdivision shall be subject to the covenants, easements and restrictions set forth in this Declaration. Declarants or either of them shall have the right, but not the obligation, for so long as Declarant: (i) owns any Lot primarily for the purpose of sale of the Lot; or (ii) has the option to add any additional property or any portion thereof to the subdivision, to make improvements to all Common Areas and to any or all Lots or other property owned by Declarants including, but not necessarily limited to, the following: (i) installation and maintenance of any improvements in and to the Common Areas, including the Recreational Amenities; (ii) installation and maintenance of any water, sewer and other utility systems and facilities.

Section 2.2. Plan of Development of Additional Property.

Declarants hereby reserve the option, to be exercised in its sole discretion, to submit and subject at any time, or from time to time, the Additional Property, which is described in Exhibit "A", or any portion or portions thereof to the provisions of this Declaration and thereby to cause the Additional Property or any portion or portions thereof to become part of the Property and subject to this Declaration. This option may be exercised by Declarants in accordance with the following rights, conditions and limitations which are the only conditions and limitations on such option to add any portion of the Additional Property to the subdivision.

Portions of the Additional Property and portions of the tracts located within the Additional Property may be added to the subdivision at different times, and there are no limitations fixing the boundaries of those portions or regulating the order, sequence or location in which any of such portions may be added to the subdivision. The exercise of the option to submit a portion of the Additional Property to the Declaration shall not bar the future exercise of this option as to the other portions of the balance of the Additional Property. If the Additional

Property or any portion thereof is added to the subdivision, any improvements developed therein and any dwellings constructed thereon will be subject to the standards and restrictions set forth herein.

DECLARANTS SHALL NOT BE OBLIGATED TO IMPOSE ON THE ADDITIONAL PROPERTY OR ANY PORTION OF IT THE COVENANTS, CONDITIONS OR RESTRICTIONS CONTAINED HEREIN OR ANY COVENANTS, CONDITIONS AND RESTRICTIONS SIMILAR TO THOSE CONTAINED HEREIN, AND THE PROPERTY NOT SUBMITTED TO THIS DECLARATION WILL BE FREE OF ANY COVENANTS OR CONDITIONS WHATSOEVER UNLESS OTHERWISE AFFIRMATIVELY IMPOSED BY Declarants.

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

The option reserved under Section 2.2 may be exercised by Declarants only by the execution of an amendment to this Declaration which shall be filed in the Office of the Register of Mesne Conveyance for Charleston County, South Carolina. Any such amendment shall expressly submit or subject the Additional Property or such portion of it as the Declarants desire to all provisions of this Declaration, and upon the exercise, if any, of such option or options the provisions of this Declaration shall then be construed as embracing the property described in Exhibit "B" and the Additional Property or such portion or portions thereof so submitted to the terms hereof.

Improvements to be constructed on the Additional Property which may be subjected to the Restrictions hereunder shall be of comparable style, quality, size and cost to those improvements which have been constructed on the Property which is already subject to this Declaration.

Section 2.3. Interest Subject to Plan of Development.

Every purchaser of a Lot or any portion of the subdivision shall purchase such Lot or other Property and every mortgagee and lienholder holding an interest therein shall take title, or hold such security interest with respect thereto, with notice of Declarants' plan of development as set forth herein. Any provision of this Declaration to the contrary notwithstanding, the provisions of the foregoing plan of development set forth in this Article may not be abrogated, modified, rescinded, supplemented or amended in whole or in part without the prior written consent of Declarants.

ARTICLE III

THE ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS

Section 3.1. The Association.

The Declarants have established (or will establish) the Association for the purpose of exercising powers of (i) owning, maintaining and administering the Common Areas, the Recreational Amenities and common facilities; (ii) providing common services; (iii) administering and enforcing covenants, conditions and restrictions contained herein; and (iv) levying, collecting and disbursing assessments and charges herein created. Further, the Declarants reserve the right to convey to the Association and the Association agrees to accept any or all of its rights and obligations set forth herein. The Association shall be authorized (but not required) to provide the following services:

(a) clean-up, maintenance, and landscaping of all open spaces, ponds and wetlands to the extent allowed by law owned by Association within the subdivision;

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

(c) construction, maintenance, landscaping and reconstruction of Recreational Amenities and other improvements within the Common Areas;

(d) to set up and operate the Architectural Control Committee as provided herein;

(e) to construct improvements on open spaces and Common Areas;

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

(g) to provide liability and hazard insurance covering improvements and activities on the open spaces and the common properties, independently or in collaboration with the Declarants;

(h) to provide directors and officers liability insurance for the Association and its duly elected Directors and Officers;

(i) maintenance of all ponds located within the Properties, including the stocking of such ponds if approved by the Board of Directors;

(j) landscaping of roads and parkways, sidewalks and walking paths within the subdivision and any common properties or open spaces located therein;

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

(l) to assume and pay the maintenance assessments to Grande Oaks Boulevard Association Inc. for the Grande Oaks Boulevard Maintenance Fund established and imposed upon the properties subject to this Declaration under that certain "Declaration of Covenants and Restrictions of Grande Oaks Plantation" dated October 27, 1998, and recorded October 28, 1998 in Book P313 at Page 895 in the Charleston County RMC Office;

(m) to exercise such voting rights assigned to the property subject to this Declaration as set forth in the "Declaration and Covenants and Restrictions of Grande Oaks Plantation" dated October 27, 1998, and recorded October 28, 1998 in Book P313 at Page 895 in the Charleston County RMC Office; and,

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

Section 3.2. Rules and Regulations.

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

Section 3.3. Membership.

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

Section 3.4. Voting Rights.

The Association shall have two classes of voting membership, as follows:

Class A. Class A members shall be all Owners except the Declarants. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 3.3 above. When more than one person holds such interest(s) in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class B members shall be the Declarants or either of them (Grande Oaks Plantation Lot Option - Charleston, LLC or Beazer Homes Corp). The Class B members shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership under Section 3.3 above and (as to the Additional Property) three votes for each additional Lot which the applicable zoning laws would allow the Declarants to create in the Additional Property owned by the Declarants and which the Declarants would have a right to submit to this Declaration. As of the date of this Declaration, the applicable zoning laws would allow the Declarants to create 152 additional lots in the undeveloped portion of Additional Property owned by the Declarants at the present time. The Class B membership shall cease and become converted to Class A membership upon the occurrence of the first of the following events:

1. when the total votes outstanding in Class A Membership equal the total votes outstanding in Class B Membership; or
2. when the Declarants execute and record an instrument forfeiting its Class B Membership; or
3. December 31, 2014.

When a purchaser of an individual Lot(s) takes title thereto from the Declarant, such purchaser becomes a Class A member.

Section 3.5 Assignment of Declarants' Interest.

The Declarants each reserve the right to transfer and assign their interests to either a subsequent developer and/or a subsequent owner. In the event of such an assignment, Declarants shall file a notice in the Charleston County RMC Office formally assigning the interest of the Declarants or either of them. The successor of either of the Declarants shall thereafter succeed to all of the authorities, rights and responsibilities of the Declarants as set forth in this Declaration and all amendments thereto.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON AREAS

Section 4.1. Owners' Easements of Enjoyment.

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

Section 4.2. Title to Common Areas.

The Declarants hereby covenant for themselves and their successors and assigns that they will, on or before December 31, 2014, convey to the Association in accordance with the provisions hereof, by limited warranty deed or deeds, fee simple title to the Common Areas free and clear of all liens and encumbrances of record except, taxes not yet due and payable and standard utility and drainage easements serving the Common Areas and/or the subdivision, and also subject to the following covenant, which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns:

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

This Section shall not be amended so as to eliminate or substantially impair the obligation for the maintenance and repair of the Common Areas.

Section 4.3. Extent of Owners' Easements.

The rights and easements created hereby shall be subject to the following:

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

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

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

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

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

Section 4.4. Delegation of Owner's Rights.

Any Owner may delegate, in accordance with the By-Laws of the Association, his right of enjoyment to the Common Areas and facilities to his tenants and guests.

Section 4.5. Additional Structures.

Neither the Association nor any Owner or any group of Owners shall, without the prior written approval of Declarants and the Architectural Control Committee, erect, construct or otherwise locate, or permit the existence of, any structure or other improvement in the Common Areas.

Section 4.6. Easements for Declarants.

During the period that Declarants own any Common Area, or owns any Lot primarily for the purpose of sale, Declarants shall have an inalienable and transferable right and easement on, over, through, under and across the Common Areas for the purpose of constructing or improving Lots; for any improvements to the Common Areas; and for installing, maintaining, repairing and replacing such other improvements to the subdivision (including the Recreational Amenities and other portions of the Common

Areas) as are contemplated by this Declaration or as Declarants desire (in their sole discretion) including, without limitation, any improvements or changes permitted and described in this Declaration and for the purpose of doing all things reasonably necessary and proper in connection therewith; provided that, in no event, shall Declarants have the obligation to do any of the foregoing.

Section 4.7. Easements for Utilities.

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

Section 4.8. Easements for Walks, Trails and Signs.

There is hereby reserved for the benefit of Declarant, the Association and their respective successors and assigns, the inalienable, transferable and perpetual right and easement upon, over and across all lands which may remain unimproved for the installation, maintenance and use of sidewalks, jogging trails,

bike paths, traffic directional signs, ponds, drainage ways, and related improvements.

Section 4.9. 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 property manager employed by the Association and any employees of such manager, to enter upon any Lot 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.

Section 4.10. Sales Offices, Rental Offices, Property Management Offices and Construction Offices.

Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant, their successors and assigns, the perpetual, inalienable and transferable right and easement in and to the Property, including the Common Areas, for the maintenance of signs, sales offices, rental offices, property management offices, construction offices, business offices and model homes, together with such other facilities as (in the sole opinion of Declarant) reasonably may be required, convenient or incidental to the completion, management, rental, improvement and/or sale of Lots or the Common Area. The Declarants also reserve the right to grant to builder or builders the right to operate and maintain builder's trailers, sales offices and signage at any location within the subdivision upon such terms and conditions as the Declarants (in the Declarants' sole discretion) may establish.

Section 4.11. Maintenance Easement.

Subject to the other terms of this Declaration, there is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an inalienable, transferable and perpetual right and easement to enter upon any unimproved portion of any Lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety and appearance within the subdivision; provided that such easements shall not impose any duty or obligation upon the Declarants or the Association to perform any such actions. Furthermore, there is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an inalienable, transferable and perpetual right and easement (but not the obligation) to enter upon any unimproved portions of Lots which are located within twenty (20') feet from

the wetlands or the edge of any pond or other body of water within the subdivision for the purpose of mowing such area and keeping same clear and free from unsightly growth and trash, as well as for the purpose of maintaining such body of water, such maintenance to include, without limitation, dredging and the maintenance of reasonable water quality standards.

Section 4.12. Environmental Easement.

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

Section 4.13. Wells and Effluent.

There is hereby reserved for the benefit of Declarant, the Association and their respective agents, employees, successors and assigns an inalienable, transferable and perpetual right and easement (i) to pump water from ponds and other bodies of water located within the subdivision for the purpose of irrigating any portions of the subdivision and for other purposes; (ii) to drill, install, locate, maintain and use wells, pumping stations, and related water facilities and systems within the Common Areas, including within any portion of the Recreational Amenities.

Section 4.14. No Partition.

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

ARTICLE V

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

Section 5.1. Right of Association.

The Association shall have the right to make, or cause to be made, such alterations, modifications, improvements, repairs, maintenances and replacements to the Common Areas and the portions of Lots set forth herein, and the cost thereof shall be

assessed as Common Expenses and collected from the Owners on an equal basis.

Section 5.2. Responsibilities of Owners.

Unless specifically identified herein as being the responsibility of the Association, all maintenance and repair of Lots, together with all other improvements thereon or therein and all lawns, landscaping and grounds on and within a Lot shall be the responsibility of the Owner(s) of such Lot. Declarants shall be responsible for Declarants-owned properties. Each Owner shall be responsible for maintaining such Owner's Lot in a neat, clean and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all buildings and other structures. All attendant lawns, trees, shrubs, hedges, grass, natural areas, and other landscaping shall be maintained by the Owner(s) thereof. As provided in Section 5.3(c) hereof, each Owner 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 but which responsibility such Owner fails or refuses to discharge. No Owner shall: (i) decorate, change or otherwise alter the appearance of any portion of the exterior of a structure on any Lot unless such decoration, change or alteration is first approved, in writing, by the Architectural Control Committee, as otherwise provided herein; or (ii) do any work which, in the reasonable opinion of the Architectural Control Committee, would jeopardize the soundness and safety of the subdivision, reduce the value thereof, or impair any easement or hereditament thereto, without in every such case obtaining the written approval of the Architectural Control Committee and the Owners and Mortgagees of the Lots directly affected thereby or benefitting from such easement or hereditament.

Section 5.3. Association's Responsibility.

(a) Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, which responsibility shall include the maintenance, repair and replacement of: (i) all Common Areas, walks, trails, ponds, bike trails, jogging paths, landscaped areas/natural areas and other improvements situated within the Common Areas or within easements encumbering Lots; (ii) such security systems and utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the Common Areas and which are not maintained by the Declarants or a public authority, public service district, public or private utility or other person; and (iii) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within the Common Areas as they may be constituted from time to time.

(b) 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 the Common Areas; 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 or left in or upon any portion of the Common Areas or any other portion of the subdivision. No diminution or abatement of assessments or any dues or charges shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of each Owner. The Declarants intend that all roads providing access to Lots within the subdivision shall be dedicated as public roads to the appropriate governmental entity and at the appropriate time, at the sole option of the Declarants.

(c) In the event that the Declarants or the Board of Directors determines that: (i) any Owner has failed or refused to discharge properly his, her or its obligations with regard to the maintenance, cleaning, repair or replacement of property or items for which he or it is responsible hereunder; or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, tenants, guests or invitees, and is not covered or paid for by insurance in whole or in part, then, in either event, the Declarants or the Association, except in the event of an emergency situation, may give such Owner written notice of the Declarants' 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. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Declarants 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 Lot are subject and shall become a lien against such Lot and shall become a lien against such Owner's Lot. In the event that the Declarants undertake such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse the Declarants for the Declarants' costs and expenses.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.1. Creation of the Lien and Personal Obligation of Assessments.

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

Section 6.2. Purpose of Assessments.

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

Section 6.3. Special Assessments.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for any other purpose set forth in the By-Laws of the Association. So long as the total amount of the special assessments allocable to all of the Lots in the subdivision does not exceed Five Thousand and no/100 (\$5,000.00) Dollars for the entire subdivision in any one fiscal year, the Board of the Association may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to the entire subdivision to exceed this limitation shall be effective only if such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Special assessments shall be paid as determined by the Board of Directors, and the Board may permit special assessments to be paid in installments extending beyond the fiscal years in which the special assessment is imposed.

Section 6.4. Notice and Quorum for Any Action Authorized Under Section 6.3.

Written notice of any meeting called for the purpose of taking any membership action authorized under Section 6.3 above shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. The presence of members or of proxies entitled to cast fifty-one (51%) percent of all the votes of each class of membership shall constitute a quorum. Any absent member who does not execute and return a proxy form which has been mailed or otherwise delivered to such member with the written notice of the meeting shall be deemed to be present for the purpose of determining the presence of a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6.5. Uniform Rate of Assessment.

Both annual and special assessments must be fixed at a uniform rate for all Lots (whether improved or unimproved), except as to platted lots owned by the Declarant, or a Builder as set out herein.

Section 6.6. Date of Commencement of Annual Assessments:
Due Dates.

Lots owned by the Declarants shall be exempt from the payment of annual assessments as long as they are owned by said Declarants or a Builder. The annual assessments provided for herein shall commence as to each Lot which is presently subject to this Declaration, except Lots owned by the Declarant, on the first day of the month following the conveyance of the first Common Area to the Association. Annual assessments will commence as to all other Lots, other than Lots owned by the Declarants or a Builder on the first day of the month following the date on which said Lots are subjected to this Declaration.

Lots owned by the Declarants or either of them shall be exempt from the payment of annual assessment as long as they are owned by said Declarants. At such time as a Lot is conveyed from the Declarants to an Owner other than the Declarant, said Lot will be subject to assessments under this Declaration just like any other Lot.

The foregoing notwithstanding, each Lot subjected to this Declaration which is owned by a Builder for a period of more than one year and upon which there is no occupied dwelling shall be assessed at 25% of the Annual Assessment provided for herein. At such time as a Lot owned by a Builder is sold or a dwelling is completed and occupied thereon, said Lot will be subject to assessments under this Declaration just like any other Lot.

The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty days in advance of each annual assessment. Written notice of the annual assessments shall be sent to every Owner subject thereto. The due date shall be established by the Board of Directors. The Association shall upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 6.7. Maximum Annual Assessment.

(a) Until January 1, 2001, the Maximum Annual Assessment (Maximum Annual Assessment) shall be \$300 per Lot. The Maximum Annual Assessment thereafter may be increased each year not more than five per cent above the Maximum Annual Assessment for the previous year without a vote of the membership. From and after January 1, 2001, the Maximum Annual

Assessment may be increased above five per cent by a vote of two-thirds of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(b) The Board of Directors may fix the Maximum Annual Assessment at an amount not in excess of the maximum.

Section 6.8. Effect of Nonpayment of Assessments: Remedies of the Association.

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

Section 6.9. Subordination of the Lien to Mortgages.

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

Section 6.10. Exempt Property.

The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- (a) grantees in conveyances made for the purposes of granting utility easements;
- (b) owners of all open space and common properties;
- (c) unsubdivided land owned by either of the Declarants;
- (d) subdivided land owner by either of the Declarants for less than one year;
- (e) subdivided land which is used for a sales office or model home so long as said use is in existence.

ARTICLE VII

USE RESTRICTIONS

Section 7.1. Conformity and Approval of Structures.

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

Section 7.2. Prior Review of All Plans.

There is hereby established an Architectural Control Committee which shall consist of three members. One of the members of the Architectural Control Committee shall be appointed by the Board of Directors of the Association. The other two members of the Architectural Control Committee will be appointed by the Declarant, as long as the Declarants own a Lot in the subdivision primarily for the purpose of resale and the construction of new homes in the subdivision has not ceased for a period of over one year. In the event the number of members of the Architectural Control Committee is expanded, the Declarants shall retain the right to appoint a majority of the members of said committee as long as the Declarants own a Lot in the in the subdivision primarily for purposes of resale and the construction of new homes in the subdivision has not ceased for a period of more than one year. At such time as the Declarants no longer own a Lot in the subdivision primarily for re-sale or the construction of new homes in the subdivision has ceased for a period of more than one year, the Declarants will lose their right to appoint members of the Architectural Control Committee. Thereafter, all of the members of the Architectural Control Committee shall be appointed by the Board of Directors of the Association. Any member of the Architectural Control Committee may be removed at any time with or without cause by the person or entity that appointed such member.

No building, fence, wall, or other structure, and no change in topography, landscaping, grading, filling or any other item shall be commenced, erected or maintained upon any portion of the subdivision, nor shall any exterior addition to or change be made until the plans and specifications including, but not necessarily limited to, all elevations showing the grading, filling, nature, kind, size, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to the harmony of the external design and location in relation to the surrounding structures and topography by the Architectural Control Committee. Any change in exterior appearance of any building, wall, fence or other structural improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval.

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

Section 7.3 Objectives of the Architectural Control Committee.

Architectural and design review shall be directed towards attaining the following objectives for the Property:

(a) preventing excessive or unsightly grading, indiscriminate earth-moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms;

(b) ensuring that the location and configuration of structures are visually harmonious with the terrain, with the vegetation of the residential lot, and with surrounding residential lots and structures and does not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape;

(c) ensuring that the architectural design of structures and their materials and colors are visually harmonious with the Property's overall appearance, history, and cultural heritage, with surrounding development, with natural land forms and native vegetation, and with development plans, officially approved by the Owner, or any governmental or public authority, if any, for the areas in which the structures are proposed to be located;

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

(e) ensuring that any development structure, building or landscaping complies with the provisions of these covenants; and

(f) promoting building design and construction techniques that respond to energy consumption and environmental quality considerations such as heat loss, air emissions and run-off water quality.

Section 7.4. Fences.

No fences whatsoever shall be erected or allowed to remain in the subdivision except approved fences to be located in rear yards only, and set back from Lot lines at such distance as the Architectural Control Committee in its sole discretion may require, or except those erected by the Declarants in Common Areas. Said fences and patio fences shall be allowed only after obtaining prior written approval of the Architectural Control Committee. No fences shall be permitted which obstruct the view of any marsh, stream or other body of water when viewed from inside any adjacent Lot.

Section 7.5. Residential Use of Lots.

All Lots shall be used for single-family residential purposes exclusively. No structures, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family

dwelling; provided, however, that nothing contained herein shall be construed to prevent the Declarants from maintaining one or more model homes and/or sales offices in the subdivision for the purpose of selling, leasing or managing Lots or other property in or near the subdivision. No accessory structures or outbuildings, whether or not attached to the principal residence (including, but not necessarily limited to carports, storage sheds, dog houses, awnings, breezeways, covered swimming pools and the like) shall be constructed or allowed to remain on any Lot unless approved by the Architectural Control Committee. Provided, however, that the Declarants may construct attached storage compartments, screened-in rear porches and rear sunrooms as an integral part of the principal residence. Provided, further, however, that an Owner, after application to and written approval by the Architectural Control Committee, may construct attached storage compartments, screened-in rear porches and rear sunrooms as an integral part of the principal residence if, and only if, such construction and improvement is consistent with the design of the principal residence and with the standards of construction prevailing in the subdivision.

Section 7.6. Prohibition Against Business Activity and "Time Sharing" Use.

No business activity including, but not limited to, a rooming house, boarding house, gift shop, antique shop, professional office or beauty/barber shop or the like or any trade of any kind whatsoever shall be carried on upon or in any Lot. Provided, however, that nothing contained herein shall be construed so as to prohibit home occupations (i.e., any occupation on a Lot and clearly incidental thereto, carried on by a member of the family resident of the premises is employed, so long as no stock in trade is kept or commodities sold, no mechanical equipment is used except such that is normally used for family, domestic, or household purposes, and there is nothing on the exterior of the dwelling indicating that the building is being used for any purpose other than a residence), or the construction of houses to be sold on said Lots or the showing of said Lot for the purpose of selling or leasing a Lot in the subdivision. Nothing herein shall be construed to prevent the Declarants from erecting, placing or maintaining signs, structures and offices as it may deem necessary for its operation and sales or lease or management of Lots in the subdivision. Provided, however, that nothing herein contained shall prevent the Declarants from erecting and maintaining sales and marketing signs in Common Areas or on other property owned by the Declarants.

No Lot or structure shall be "time shared", nor shall any Lot or structure be owned, used or operated in violation of the statutory provisions regulating Vacation Time Sharing Plans, South Carolina Code Ann. Sections 27-32-10 et seq., as the same

may be amended from time to time, nor shall any Lot or structure be owned, used or operated so as to constitute such Lot or structure as a "time sharing unit" within the meaning of such statutory provisions.

Section 7.7. Temporary Structures.

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

Section 7.8. Mining and Drilling Prohibition.

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

Section 7.9. Setbacks, Building Lines and Height Restrictions.

(a) The height, area and setback regulations of the zoning ordinance of the City of Charleston shall be applicable to all lots. The Architectural Control Committee may require more stringent setbacks so long as the required setback does not violate the setback requirements of the Zoning Ordinance of the City of Charleston.

Section 7.10. Timely Construction Progress.

Once construction of improvements on a residence is started on any Lot, the improvements must be substantially completed within nine (9) months from commencement of construction, and all landscaping must be completed within ninety (90) days after completion of the improvements or residence. All construction sites must be maintained in an orderly fashion and all construction debris must be placed in a trash container or removed within forty-eight (48) hours.

Section 7.11. Material Restriction.

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

Section 7.12. Rebuilding Requirement.

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

Section 7.13. Elevation and Drainage Changes.

No changes in the elevation, topography or drainage characteristics of the subdivision shall be made on the premises without the prior written approval of the Architectural Control Committee nor shall any fill be used to extend any property beyond any boundary line of any waterfront property.

Section 7.14. Tree Removal.

No trees or bushes of any kind having a diameter of six (6") inches or more [measured from a point two (2') feet above the ground level] shall be removed from any Lot without the express written authorization of the Architectural Control Committee. All lots and common areas shall be subject to the Tree Protection Requirements of the Zoning Ordinance of the City of Charleston. Authorization by The Architectural Control Committee shall not exempt an Owner from compliance with the Tree Protection Ordinance of the City of Charleston.

Section 7.15. Clothesline.

No clothesline or drying yards shall be located upon the premises so as to be visible from any Common Area or other public rights of way.

Section 7.16. Water Systems.

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

Section 7.17. Sewer System.

No surface toilets or septic tanks are permitted in the subdivision (other than those utilized for a designated model

home complex by the Declarant). A purchaser of a dwelling assumes responsibility for attaching to public sewer system including all fees associated therewith. All plumbing fixtures, dishwashers, toilets or sewage disposal system shall be connected to the central sewer system of the subdivision.

Section 7.18. Garbage Disposal.

Garbage containers shall be stored so as not to be visible from the street or common areas except on garbage pick up days. The placement and pick up of trash and the location of garbage containers shall be in compliance with the ordinances and regulations of the City of Charleston.

Section 7.19. Sign Controls.

No signs of any character shall be erected on any Lot or displayed to the public on any Lot except "For Sale" signs or signs indicating the name of one contractor only (not subcontractors) during the period of sale or construction only, provided said signs (i) shall not exceed six square feet in size; (ii) shall only refer to the premises on which displayed; (iii) shall be located within fifteen (15') feet of the main structure but no less than twenty five (25') feet from the front street right-of-way; and (iv) shall not exceed more than one per Lot. This restriction shall not apply to signs used to identify and advertise the subdivision as a whole, nor to signs for selling and/or houses during the development and construction period, which period shall not exceed twenty (20) years from the date hereof, provided such signs are approved by the Architectural Control Committee. Also, the provisions of this Section shall not apply to anyone who becomes the owner of any Lot as purchaser at a judicial or foreclosure sale or as transferee pursuant to any proceedings in lieu thereof.

An Owner's house number shall be placed on the front of a home or on a sign placed on the Lot in compliance with the applicable governmental requirements. The Owner's name and street number may also be placed on the mailbox post as prescribed by the Homeowners Association and approved by the Architectural Control Committee.

Section 7.20. Natural Buffer Zone.

The Declarants have established, or may establish, certain natural buffer easements running parallel to the main rights-of-way running through the subdivision and adjacent to wetlands and ponds. These buffer easements are to screen the rear of dwellings from view from the main rights-of-way. The natural buffer zone easements are hereby designated as Common Areas and may be maintained by the Association for the benefit of the Lot Owners.

No Lot Owner or any Lot Owner's family, guests, agents or employees shall disturb the natural buffer zone easements in any manner and/or for any reason. Owners of Lots adjoining said natural buffer zone easements shall be responsible for advising their contractor or subcontractors of the natural buffer zone and will ensure no encroachment or clearing of said area.

If the natural buffer zone easement is disturbed, the Lot Owner responsible will be required to pay all costs incurred by the Declarants and the Association as a result of its attempt to restore the area to its natural state and as a result of such action as may be required by the City of Charleston.

Section 7.21. Exclusion of Above Ground Utilities.

All electrical service, wires, pipes, lines, telephone, cable television (CATV) lines and utility services of any type shall be placed in appropriate conduit underground and no outside electrical lines shall be placed overhead. No exposed or exterior radio or television transmission or receiving antenna shall be erected, placed or maintained on any part of the subdivision except those master facilities approved by the Declarants. Provided, however, that the normal service pedestals, etc., used in conjunction with such underground utilities shall be permitted within the subdivision. Overhead utilities shall be permitted during the construction period and until utility companies can place them underground. Satellite dishes larger than one meter (39.37 inches) shall not be permitted. Smaller satellite dishes are permitted but shall not be attached to the front of any home and shall be screened in such a manner so as not to be visible from any common area, street or amenity area.

Section 7.22. Certain Vehicles Prohibited On Lots, Streets and Common Areas.

No travel trailers or mobile homes, campers or other habitable motor vehicles of any kind, whether self-propelled or not, school buses, motorcycles, commercial trucks, [pick-up trucks used for family transportation and family use are allowed] or commercial vehicles, or boat trailers or boats shall be kept, stored or parked overnight, either on any Common Area, specifically including streets. The Association shall have the right to have unauthorized vehicles towed. Boats, boat trailers, campers, motorcycles and other trucks and recreational vehicles parked or stored on any lot shall be located only in closed garages and out of sight. The Association however shall have a right to have unauthorized vehicles towed from streets and common areas.

Section 7.23. Junk or Disabled Vehicles.

No stripped, partially wrecked, unlicensed or invalidly licensed, disabled or junk motor vehicle, or part hereof, shall be permitted to be parked or kept in the subdivision.

Section 7.24. Motorcycles.

The Association shall have the authority to prohibit the use, maintenance or storage of motorcycles in the subdivision.

Section 7.25. Pets.

No animals, livestock, birds, or fowl shall be kept or maintained on any part of the subdivision except dogs, cats, pet fish and birds which may be kept thereon in reasonable numbers (not to exceed three) as pets for the pleasure and use of the property Owner but not for any commercial use or purpose. All animals, when off of an Owner's premises, must be kept on a leash as required by the laws and ordinances of the City of Charleston and must not become a nuisance to other residents by barking or other acts. Non-owners (e.g. renters or lessees) may not keep any pets on any part of the Property without prior written approval of the Owner, said approval to be filed with the Association.

Section 7.26. Perimeter Access.

There shall be no access to any Lot on the perimeter of the subdivision except from designated roads within the subdivision; provided, however, that Declarants reserve the right to construct and operate temporary construction roads during the construction and development period.

Section 7.27. Rental Period.

No Owner shall lease or rent any Lot more than three (3) times in any given twelve month period.

Section 7.28. Prohibition of Open Outdoor Storage.

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

Section 7.29. Prohibition of Accessory Structures.

No dog house, detached garage, carport, swingset other similar play structure, or any other accessory structure shall be constructed upon any Lot, unless such structure has been approved in writing by the Architectural Control Committee prior to installation or construction.

Section 7.30. Nuisances.

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

Section 7.31. Landscaping.

The Architectural Control Committee reserves the right to reasonably restrict the placement of landscaping, fences or other impediments to the enjoyment of views from and of adjoining Common Areas or Recreational Amenity areas.

Section 7.32. Special Hazards.

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

Section 7.33. Encroachments.

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

Section 7.34. Subdivision of Lot: Easements and Encroachments.

No Lot shall be subdivided except as hereinafter provided, and no building or residence, including porches or projections of any kind, shall be erected so as to extend over or across any of the building lines as hereinafter established. Provided, however, if any portion of any Common Area unintentionally encroaches upon a Lot or any part thereof, whether by settlement or otherwise, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of improvements to a Lot(s) encroach(es) upon the Common Area or any portion thereof, whether by settlement or otherwise, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event any improvement or part thereof is partially or totally destroyed and then rebuilt, any encroachment of any Common Area upon a Lot(s) or encroachment of a Lot(s) upon any Common Area or upon an adjoining Lot(s) resulting because of such rebuilding, shall be permitted, and a valid easement shall exist for the maintenance of such encroachments so long as the same stand. Such encroachments and easements shall not be considered or determined to be encumbrances either on any Common Area or any Lot(s), and no Owner shall be entitled to damages or injunctive relief because of the construction, re-construction or maintenance thereof.

Section 7.35. Increased Size of Lots.

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

Section 7.36. Building Requirements.

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

In Autumn Chase: minimum living space 1400 square feet.

In Magnolia Lakes: minimum living space 1000 square feet.

This minimum living space shall not include furnished rooms over a garage. It shall include only space intended to be heated and cooled.

Section 7.37. Ponds.

The ponds within the subdivision are not designed for boating, swimming or bathing purposes and the same is prohibited. No docks, landings or other structures may be located in or adjacent to any pond without the prior written consent of the Declarants. Fishing shall be permitted within the ponds so long as all regulations of the South Carolina Department of Natural Resources, as the same may be changed from time to time, are strictly observed. No water may be withdrawn from any ponds for any reason by any Owner. All Property Owners adjacent to the ponds shall be prohibited from using insecticides, pesticides and other hazardous materials within twenty-five (25') feet of such ponds.

Section 7.38. Utility Company Requirements.

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

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

Section 7.39. Gardens, Basketball Goals, Etc.

Only grass, ornamental plants and shrubbery may be planted in the front or side yard of any Lot. All other planting in these yards may be done only with the prior written approval of the Declarants or Architectural Control Committee or in

accordance with such guidelines as may have previously established by the Committee. No vegetable garden, hammocks, statuary or recreational equipment may be placed, erected, allowed or maintained upon the front or side yard of any Lot without the prior written consent of the Committee or its designee. This provision shall not, however, apply to basketball goals. Basketball goals may be installed after the type and location have been previously approved in writing by the Architectural Control Committee.

Section 7.40. Lighting.

The following exterior lighting may be installed without the necessity of obtaining the prior approval of the Board or its designee: (i) seasonal decorative lights during the Christmas season to be removed no later than January 31 each year; (ii) illumination of other than the front or side yards or a Lot; (iii) illumination of a model home and entrance features constructed by the Declarants; and (iv) other lighting originally installed by the Declarants. Plans for all other exterior lighting must be submitted and approved in accordance with Section 7.2. All exterior lighting shall be installed so as not to disturb neighbors or impair vision of traffic. Down lights, up lights, stair lights and low voltage lights used in landscaping for accent, safety and appearance are acceptable. The use of exposed spotlights is prohibited.

Section 7.41. Sight Distance at Intersections.

All Lots at street intersections shall be so landscaped as to permit a safe line of sight across the street corners. No fence, wall, hedge or shrub planting shall be placed or permitted to remain at the corner of a Lot where this would create a traffic or line of sight problem.

Section 7.42. Solar Devices.

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

Section 7.43. Wetlands.

Each Lot within the subdivision which contains U. S. Army Corps of Engineers jurisdictional wetlands shall be subject to the following additional covenants, conditions and restrictions, unless waived by the Declarants and the U. S. Army Corps of Engineers:

(a) The Owner or Owners of such Lots agree to abide by all rules and regulations of the South Carolina Coastal Council and/or the U. S. Army Corps of Engineers with respect to such wetlands. Wetlands and wetland buffers shall not be disturbed in any fashion.

Section 7.44. Mailboxes.

Receptacles and posts for the receipt of mail shall be in conformity with the requirements of the United States Postal Service and approved by the Architectural Control Committee. Said receptacles shall be of uniform construction and appearance as prescribed by the Architectural Control Committee.

Section 7.45. Driveways and Garages.

A maximum of two cars shall be parked upon the driveway of a Lot overnight. No garage on any Lot shall be enclosed to make it a part of a residence or for any other purpose. The Declarants shall have the right to waive this requirement for builders using an enclosed garage as part of a temporary sales center. All garages shall remain operable as a storage area for vehicles. Garage doors are to remain closed at all times except during use and operation.

Section 7.46. Lawn Care and Other Maintenance Required by Owner.

Each Owner shall keep his Lot(s) and all improvements located thereon in good order and repair including, but not limited to, seeding, watering and mowing of all lawns and grounds, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all such improvements in a manner consistent with proper maintenance and management. No lawns, grass, weeds or underbrush shall be allowed to grow to a height exceeding six (6") inches on any Lot. In the event an Owner violates this Section, the Declarants and Association shall have all of the remedies set out in this Declaration including, but not limited to, those set out in Article V, Section 5.3(c) hereof. An entry onto a Lot by the Declarant, the Association, or any of their agents, employees, servants, or persons acting on their behalf to remedy a violation of this Section shall not be considered a trespass.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1. Enforcement.

The Association or any Owner shall have the right to enforce, by any proceedings at law or in equity, all of the

restrictions, conditions, covenants, easements, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Declarant, the Association, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed as a waiver of right to do so thereafter. The Declarants and the Association shall have the right to establish, assess and collect reasonable fines and penalties for violations of this Declaration, which shall be liens against Dwellings as provided herein. Such fines shall not exceed Fifty (\$50.00) Dollars per violation per day.

Section 8.2. Severability.

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

Section 8.3. Duration.

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

Section 8.4. Assignment.

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

Section 8.5. Amendment.

(a) Amendments by Declarants. The Declarants may amend this Declaration to add any portion of the Additional Property to the terms of this Declaration as set out in Section 2.2, and to amend Exhibit "B" to include said property. The Declarants shall also have the right at the time any Additional Property is subjected to this Declaration to amend Section 7.36 hereof to show the property being subjected, the recording information of the plat of said property and setting out the minimum square feet of living space required for a main structure on said property being subjected. All without the approval of any Owner or mortgagee. In addition to the foregoing amendment rights, the Declarants shall have the right at any time without a vote of the Owners to amend the Covenants and Restrictions of this

Declaration to correct typographical or clerical errors, and as may be required by any governmental authority, institutional or governmental lender, insurer or purchaser of mortgage loans including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration or the Federal Housing Administration.

(b) Amendments by Lot Owners. This Declaration may be amended by an instrument signed by not less than two-thirds (2/3rds) of the Lot Owners.

(1) This Declaration may be amended during the first twenty year period by an instrument signed by not less than 90% of the Lot Owners and thereafter by an instrument signed by not less than 75% of the Lot Owners. All amendments must be recorded in the Charleston County RMC Office.

Section 8.6. No Dedication of Common Areas, Etc.

Every park, pond, wetland, Common Area, Recreational Amenity, and other amenity within the subdivision is a private park, facility or amenity and neither the Declarants' recording or any such plat nor any other act of the Declarants with respect to the Property are, or are intended to be, or shall be construed, as a dedication to the public of any said parks, Common Areas, recreational facilities and amenities other than s reflected therein. An easement for the use and enjoyment of each of said areas designated as parks is reserved to the Declarant, its successors and assigns; to the persons who are, from time to time, members of the Association; to the members and Owners of any recreational facility; and all other kinds of residential structures that may be erected within the boundaries of the Property and to the invitees of all the aforementioned persons; the use of which shall be subject to such rules and regulations as may be prescribed by the Association, if the Association is the Owner of the facility or Property involved.

Section 8.7. Time is of the Essence.

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

Section 8.8. Remedies for Violation of Restrictions.

In the event of a violation or breach of any of these restrictions by any Owner, or agent of such Owner, the Owners of Lots in the subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Declarant, its successors and assigns, shall have the right, whenever there shall have been built on any Lot in the

subdivision any structure which is in violation of these restrictions, to enter upon the Property where such violation exists, and summarily abate or remove the same at the expense of the Owner, if after thirty (30) days written notice of such violation, it shall not have been corrected by the Owner. The Declarants and Association are hereby granted a perpetual easement across each Lot for the purposes of carrying out its responsibilities under this Section, and any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any rights, reservation, restriction or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. Should the Declarants or Association employ counsel to enforce any of the foregoing covenants, conditions, reservations or restrictions, because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for the Declarants' or Association's counsel, shall be paid by the Owner of such Lot(s) in breach thereof.

Section 8.9. Rule Against Perpetuities, Etc.

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

Section 8.10. FHA/VA Approval.

As long as there is a Class B Membership, the following will require prior approval by the Federal Housing Administration or the Veterans Administration:

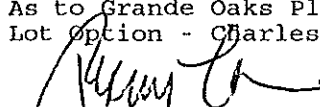
(1) Annexation of properties other than the Additional Property described in Exhibit "A" attached hereto.

Section 8.11 Multiple Associations.

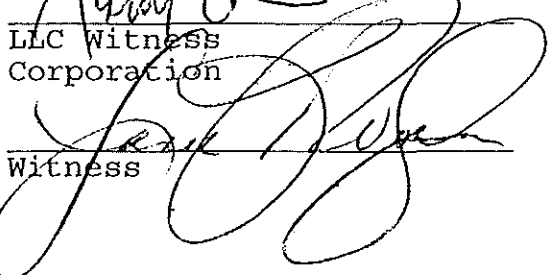
The Association may be merged with other associations governing the use and control of other property in the subdivision if approved by vote of two-thirds of each class of members who are voting in person or by proxy at a meeting duly called for such purpose. Any such merger must be approved by the Federal Housing Administration or the Veterans Administration.

WITNESS the execution hereof by Grande Oaks Plantation Lot Option - Charleston, LLC and Beazer Homes Corp., a Tennessee Corporation, as Declarants, on this 14th day of October, 1999.

As to Grande Oaks Plantation
Lot Option - Charleston, LLC



LLC Witness
Corporation



Witness

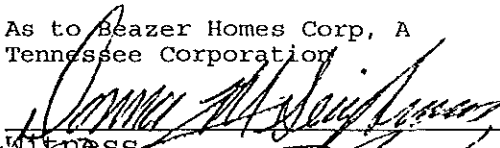
GRANDE OAKS PLANTATION LOT OPTION - CHARLESTON,
A South Carolina Limited Liability

By Hearthstone, Inc., (formerly Hearthstone
Advisors, Inc.), its Manager

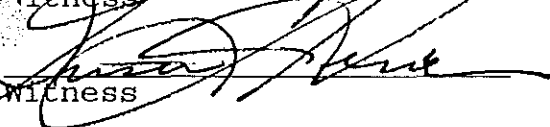
By: _____


James K. Griffin, JR.
Senior Vice President

As to Beazer Homes Corp, A
Tennessee Corporation



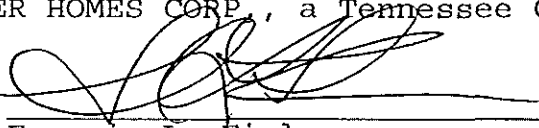
Witness



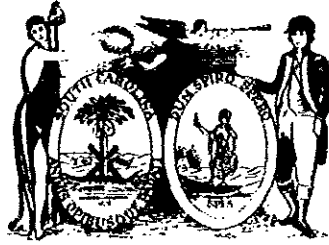
Witness

BEAZER HOMES CORP., a Tennessee Corporation

By: _____


Francis L. Finlaw
President/South Carolina Coastal Division

The State of South Carolina



Office of Secretary of State Jim Miles

Certificate of Incorporation, Nonprofit Corporation

I, Jim Miles, Secretary of State of South Carolina Hereby certify that:

***AUTUMN CHASE/MAGNOLIA LAKES AT GRANDE OAK PLANTATION
HOMEOWNERS ASSOCIATION, INC.,***

a nonprofit corporation duly organized under the laws of the state of South Carolina on **August 27th, 1994**, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed a Declaration and Petition for Incorporation of a nonprofit corporation for Religious, Educational, Social, Fraternal, Charitable or other eleemosynary purpose.

Now, therefore, I Jim Miles, Secretary of State, by virtue of the authority in me vested, by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto, do hereby declare the organization to be a body politic and corporate, with all the rights, powers, privileges and immunities, and subject to all the limitations and liabilities, conferred by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto.

Given under my Hand and the Great Seal of
the State of South Carolina this 31st day of
August, 1999.

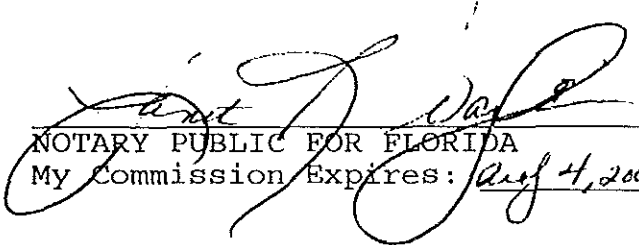
A handwritten signature in black ink that reads "Jim Miles".

Jim Miles, Secretary of State

STATE OF FLORIDA)
)
COUNTY OF BROWARD)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me on this 14th day of October, 1999, by Grande Oaks Plantation Lot Option - Charleston, L.L.C. by its manager Heathstone, Inc. (formerly Hearthstone Advisors, Inc.) by James K. Griffin, its Senior Vice President and a duly authorized officer.


NOTARY PUBLIC FOR FLORIDA
My Commission Expires: Aug 4, 2001

JANET R. WARGIN
Notary Public - State of Florida
My Commission Expires Aug 4, 2001
Commission # CC656930

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me on this 19th day of October, 1999, by Beazer Homes Corp., a Tennessee Corporation, by Francis L. Finlaw, its President/South Carolina Coastal Division and a duly authorized officer.



NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 2-5-07

Exhibit "A"

ALL that piece, parcel or tract of land, situate, lying and being in the City of Charleston, Charleston County, South Carolina, shown and designated as Lot 3, containing 84.885 acres, on a plat thereof entitled "SUBDIVISION PLAT OF LOTS 1-4, A NEW PRIVATE ROAD, A NEW PUMP STATION LOT, AND A NEW CPW UTILITY EASEMENT LOCATED ON BEES FERRY ROAD, CITY OF CHARLESTON CHARLESTON COUNTY, S.C.", prepared by Jeffrey Steven Cooper, RLS of Forsberg Engineering & Surveying, Inc. dated August 28, 1998 and recorded September 23, 1998 at Plat Book EC, at Page 759, RMC Office for Charleston County, SC. Said tract having such size, shape, buttings and boundings as follows: To the East on a Private Road described as a New Private 70' Right of Way; to the South by Lot 2; to the West on Wetlands and other properties of the Grantor; and to the North on a Proposed Road and the 100' X 100' lot reserved for a Pump Station for the Commissioner of Public Works.

LESS AND EXCEPTING:

ALL that certain piece, parcel or tract of land containing 0.244 Acres as shown on a the aforesaid plat shown and designated as 100' X 100' CPW Pump Station.

Exhibit "B"

Page 1

**Magnolia Lakes
Phase 1A**

ALL THOSE pieces, parcels or lots of land, situate, lying and being in the City of Charleston, Charleston County, South Carolina, Shown and designated as Lots 1, 2, 3, 4, 5, 79, 81, 82, 83, 84, 85, 86, 87, 100, 101, 102, 113, 114, 115, 116 and also those Buffers, Wetlands, Pond and the Open Park shown, discribed as follows: the H.O.A. Buffer 6,542.59 Square Feet or 0.150 Acres; Wetlands Tract containing 13,925.47 Square Feet or 0.320 Acres (H.O.A.); Pond 56,751.93 Square Feet or 1.303 Acres (H.O.A.); the Open/Park 65,552.60 Square Feet or 1.505 Acres (H.O.A.); and the Wetlands Tract containing 73,937.59 Square Feet or 1.697 Acres (H.O.A.) as shown on a plat entitled, "SUBDIVISION PLAT SHOWING MAGNOLIA LAKES, PHASE 1A, A 10.206 ACRE TRACT OF LAND, PROPERTY OF GRANDE OAKS PLANTATION LOT OPTION - CHARLESTON, L.L.C., AND LOCATED IN GRANDE OAKS, CITY OF CHARLESTON, CHARLESTON COUNTY SOUTH CAROLINA", prepared by Andrew C. Gillette, P.L.S. 5933-B, of Trico Engineering Consultants, Inc. dated February 23, 1999 and recorded in the RMC Office for Charleston County on July 30, 1999 in Plat Book ED at Page 332.

AND ALSO

**Magnolia Lakes
Phase 1B**

ALL THOSE pieces, parcels or lots of land, situate, lying and being in the City of Charleston, Charleston County, South Carolina, Shown and designated as Lots 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 110, 111 & 112 and also the drainage easement shown, described as follows: the 20' Drainage Easement located between Lots 75 and 76 as shown on a plat entitled, "SUBDIVISION PLAT SHOWING MAGNOLIA LAKES, PHASE 1B, AN 5.872 ACRE TRACT OF LAND, PROPERTY OF GRANDE OAKS PLANTATION LOT OPTION - CHARLESTON L.L.C., AND LOCATED IN GRANDE OAKS, CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA", prepared by Andrew C. Gillette, P.L.S. 5933-B, of Trico Engineering Consultants, Inc. dated August 19, 1999 and recorded in the RMC Office for Charleston County on October 28, 1999 in Plat Book ED at Page 564.

AND ALSO

Exhibit "B"

Page 2

Autumn Chase
Phase 1A

ALL THOSE pieces, parcels or lots of land, situate, lying and being in the City of Charleston, Charleston County, South Carolina, Shown and designated as Lots 1, 2, 3, 4, 5, 6, 7, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, and also those Ponds and Open/Parks shown and described as follows: Pond 26,548.20 Square Feet or 0.609 Acres (H.O.A.); Pond 26,872.06 Square Feet or 0.609 Acres (H.O.A.); Pond 35,576.72 Square Feet 0.815 Acres (H.O.A.); and the Open/Park area 110,454.80 Square Feet or 2.536 Acres (H.O.A.) as shown on a plat entitled, SUBDIVISION PLAT SHOWING AUTUMN CHASE, PHASE 1A, AN 11.921 ACRE TRACT OF LAND, PROPERTY OF GRANDE OAK PLANTATION LOT OPTION - CHARLESTON L.L.C., AND LOCATED IN GRANDE OAKS, CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA", dated February 23, 1999 and recorded in the RMC Office for Charleston County on July 30, 1999 in Plat Book ED at Page 331.

AND ALSO

Autumn Chase
Phase 1B

ALL THOSE pieces, parcels or lots of land, situate, lying and being in the City of Charleston, Charleston County, South Carolina, Shown and designated as Lots 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 76, 77, 78, 79, 80, 81, 82, 83, and also that Pond area discribed as follows: H.O.A. POND AREA 48,169.96 Square Feet, or 1.106 Acres, shown on a plat entitled, "SUBDIVISION PLAT SHOWING AUTUMN CHASE, PHASE 1B, AN 4.317 ACRE TRACT OF LAND, PROPERTY OF GRANDE OAK PLANTATION LOT OPTION - CHARLESTON L.L.C., AND LOCATED IN GRANDE OAKS, CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA", prepared by Andrew C. Gillette, P.L.S. 5933-B, of Trico Engineering Consultants, Inc. dated August 19, 1999 and recorded in the RMC Office for Charleston County on October 28, 1999 in Plat Book ED at Page 562.

EXHIBIT "C"
BYLAWS
OF
AUTUMN CHASE/MAGNOLIA LAKES AT
GRANDE OAK PLANTATION HOMEOWNERS ASSOCIATION, INC.

1. INTRODUCTION

These are the By-Laws of Autumn Chase/Magnolia Lakes at Grande Oak Plantation Homeowners Association, Inc., a nonprofit corporation organized under the laws of the State of South Carolina (herein-after called "the Association"), which is organized for the purpose of managing the business of the homeowners association for the communities known as Autumn Chase and Magnolia Lakes at Grande Oak Plantation in Charleston County, South Carolina. The subdivisions (the "Subdivisions") are identified more particularly in the stated Declaration of Covenants and Restrictions for the subdivisions for which these Bylaws are attached as Exhibit "C" to the Declaration. The developer of these subdivisions are the Declarants, which are Grande Oak Plantation Lot Option - Charleston, LLC and Beazer Homes Corp., a Tennessee Corporation, are herein jointly referred to as "Declarant".

- a) The provisions of these By-Laws are applicable to any and all land subject to the Declaration, and the terms and provisions of these By-Laws are expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Declaration. The terms and provisions of the Declaration shall be controlling wherever and whenever, if ever, they are or may be in conflict with these By-Laws.
- b) All present or future co-owners, tenants, future tenants, or their employees, invitees, licensees, or any other person that might use the lands of the Subdivision, or any of the facilities thereof in any manner, are subject to the regulations set forth in these BY-Laws and in the Declaration, as either, or both, may be amended or supplemented from time to time.
- (c) The office of the Association shall be: Beazer Homes Corp.
7410 Northside Drive, Suite 107
North Charleston, SC 29420

or at any other place at the Board of Directors of the Association may designate from time to time.
- (d) The fiscal year of the Association shall begin on January 1 and end on December 31 of each year, unless changed by the Board of Directors of the Association as herein provided.
- (e) The seal of the Association shall bear the name of the Association and the words "South Carolina".
- (f) There shall be no dividends or profits paid to any members nor shall any part of the income of the Association be distributed to its Board of Directors or officers. In the event there are any excess receipts over disbursements as a result of performing services, such excess shall be applied against future expenses, etc. The Association shall not pay compensation to its members, directors or officers for services rendered. At any one time, the Board may retain a management firm, and may contract with said firm to provide management for the Association and its subordinate regimes, or operator owned/controlled property, to include, but not be limited to, the following services:

1. financial services;
2. administrative and clerical services; and
3. maintenance, to include providing of goods, materials, labor and equipment, personnel supervision, contract labor, landscaping, and security.

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

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

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

- (a) All persons who are owners as defined in the Declaration shall be members of this Association, provided, however, that no non-owner, tenant, sub-lessee, or assign shall be a member, nor have voting rights in this Association. The rights and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by a member or a member's spouse, but in no event shall more than one (1) vote be cast or more than one (1) office held for each Lot, except for those Class B voting rights granted to or reserved by the Declarant in the Declaration. The foregoing is not intended to include Mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no owner, whether one or more persons, shall have more than one membership/vote per Lot, except for those Class B voting rights granted to or reserved by the Declarant in the Declaration. Any membership shall automatically terminate when an Owner, as defined herein, is no longer seized and vested with title to any real property within the Subdivision, and membership and/or voting rights in the Association shall be limited to such Owners.
- (b) The quorum at members meetings shall consist of persons entitled to cast or proxy entitled to cast one-tenth (1/10) of the votes of each class of membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the, presence of such person for the purpose of determining a quorum.
- (c) The vote of the Owners of a Lot owned by more than one person or by a corporation or other entity shall be -cast by the person named in a certificate or appropriate resolution signed by all of the owners of the Lot and filed with the Secretary of the Association, and such certificate or resolution shall be valid until revoked by subsequent certificate or resolution. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.
- (d) Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of the meeting for which their use is sought.

- (e) Approval or disapproval of an Owner upon any matters, whether or not the subject of an Association meeting, shall be by the same person who casts the vote of such Owner if in an Association meeting.
- (f) Except where otherwise required under the provisions of the Certificate of Incorporation of the Association, these By-Laws, the Declaration, or where the same may otherwise be required by law, the affirmative vote of the owners holding at least a majority of the total votes cast at a meeting at which a quorum is present, shall be binding upon the members/owners.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

- (a) The annual members meeting shall be held at the office of the Association or such other place as may be designated by the Board of Directors, on the first Wednesday in March of each year or at such other time as shall be designated by the Board of Directors, for the purpose of transacting any business authorized to be transacted by the members. The first annual meeting shall be held in 2001.
- (b) Special members meetings shall be held whenever called by the President or Vice President, by a majority of the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all votes of the Class A Membership, and must be called by such officers upon receipt of a written request from the members of the Association owning a majority of the outstanding votes.
- (c) Notice of all members meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association, or other officers of the Association in the absence of said officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him or her. If mailed, such notice shall be deemed properly given when deposited in the United States mail addressed to the member at his or her post office address as it appears on the records of the Association, the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. The presence at the meeting of members entitled to cast or proxy entitled to cast one-tenth of the votes in each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or the Declaration or these By-Laws. If any members meeting cannot be organized because a quorum has not been attained, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, whenever the latter percentage of attendance may be required as set forth in the Certificate of Incorporation, -these By-Laws or the Declaration, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

- (d) At meetings of membership, the President shall preside or, in the absence of the President, the membership may select a chairman in the event that the Board does not designate an acting president or presiding officer for any such meeting.
- (e) The order of business at annual members meetings, and, as far as practical, at any other members meeting, shall be:
 - (i) calling of the roll and certifying proxies
 - (ii) Proof of notice of meeting or waiver of notice
 - (iii) Reading of minutes
 - (iv) Reports of officers
 - (v) Reports of committees
 - (vi) Unfinished business
 - (vii) New business
 - (viii) Adjournment

4. BOARD OF DIRECTORS

Section 1. Governing Body; Composition.

The affairs of the Association shall be governed by a Board of Directors. Until the first annual meeting of the members, the affairs of the Association shall be managed by a Board of two (2) directors selected by the Declarant. Thereafter, the affairs of the Association shall be managed by a Board of three (3) directors elected as provided herein.

Section 2. Term of Office.

At the annual meeting to be held in the calendar year 2001, the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years, and at each annual meeting thereafter, Owners and members shall elect one director for a term of three years. The directors shall be elected by a majority of the votes cast by members at the meeting called for said purpose. In voting for directors, the Class A members and Class B members shall have the number of votes set out in Section 3.4 of the Declaration.

Section 3. Removal.

Any director may be removed from the Board, with or without cause, by a vote of the members holding at least a majority of the votes in the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. In voting to remove directors, the Class A members and Class B members shall have the number of votes set out in Section 3.4 of the Declaration.

Section 4. Compensation.

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

Section 5. Action Taken Without a Meeting.

The directors shall have the right to take any action in the absence of a meeting of the directors which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Meeting of Directors

Section 6. Regular Meetings.

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

Section 7. Special Meetings.

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

Section 8. Quorum

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

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

Powers and Duties of the Board of Directors

Section 9. Powers.

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

- (a) To prepare and adopt a budget, make, levy and collect assessments against members and members Lots to defray the cost of the Common Areas and facilities of the

Subdivision, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;

- (b) To carry out the maintenance, care, upkeep, repair, replacement, operation, surveillance and the management of the Common Areas, Recreational Amenities, services and facilities of the Subdivision wherever the same is required to be done and accomplished by the Association for the benefit of its members;
- (c) To carry out the reconstruction of improvements after casualty and the further improvement of the property, real and personal;
- (d) To make and amend regulations governing the use of the property, real and personal, in the Subdivision so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Declaration;
- (e) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Lots in the Subdivision, as may be necessary or convenient in the operation and management of the Association, except those which may be required by the Declaration to have approval of the membership of the Association;
- (f) To enforce by legal means the provisions of the Certificate of Incorporation and By-Laws of the Association, the Declaration and the regulations hereinafter promulgated governing use of the property in the Subdivision;
- (g) To pay all taxes and assessments which are liens against any part of the Subdivision other than Lots and the appurtenances thereto, and to assess the same against the members and their respective Lots subject to such liens;
- (h) To carry insurance for the protection of the Subdivision the members of the Association, and the Association against casualty, liability and other risks;
- (i) To pay all costs of power, water, sewer and other utility services rendered to the Association and not billed to the owners of the separate Lots;
- (j) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association as well as to dismiss said personnel;
- (k) To adopt and publish rules and regulations governing the use of the Common Areas, Recreational Amenities and facilities of the Association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (l) To suspend the voting rights and right to use of the Common Areas and facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (m) To exercise for the Association all powers, duties and authority vested in or delegated to this Association by the Declaration and not reserved to the membership by other provisions of these By-Laws, or the Certificate of Incorporation;

- (n) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (o) To employ a manager, a managing agent, an independent contractor, or such other employees or agents as they deem necessary, and to prescribe their duties.
- (p) To make special assessments to the extent provided in the Declaration and these By-Laws.

Section 10. Duties.

It shall be the duty of the Board of Directors to:

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

- (k) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (l) Cause all of the facilities to be maintained;
- (m) Have a management agent for any of the above; and
- (n) Procure and maintain officers and directors liability insurance as it may deem appropriate.

Section 11. Meeting Location.

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

Section 12. Actions Without Meetings.

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

Section 13. Indemnity.

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

5. OFFICERS

- (a) The executive officers of the Association shall be the President and Secretary, who shall be directors; a Vice President; and a Treasurer, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.
- (b) The President shall be the chief executive officer of the Association. The President shall have all the powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members from time to time, as the President may in the President's discretion determine appropriate, to assist in the conduct of the affairs of the Association.
- (c) Any Vice President, unless the majority may select a presiding officer, shall, in the absence or disability of the President, exercise the powers and perform the duties of

President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

- (d) The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.
- (e) The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.
- (f) The compensation of all officers and employees of the Association shall be fixed by the directors. This provision shall not preclude the Board of Directors from employing a director as an employee of the Association, nor preclude the contracting with a director for management of the Association.

6. FISCAL MANAGEMENT

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

- (a) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot; for each subordinate regime; and for those developer-owned entities. Such an account shall designate the name and address of the Owners(s) or ownership/control entity, the amount of each assessment against each category set forth immediately hereinabove, the dates and amount in which assessments come due, the amounts paid upon the account and the balance due upon assessments.
- (b) The Board of Directors shall adopt a budget for each fiscal year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to, the following items:
 - (i) Common Expense budget, which shall include without limiting the generality of the foregoing, the estimated amounts necessary for maintenance, repair and/or replacement of: (a) all buildings and other improvements located within the Association's Common Areas, including pools, tennis courts, and other Recreational Amenities which may be constructed; (b) all roads (not dedicated to the public) , walks, trails, lagoons, ponds, parking lots, landscaped areas/natural areas and other improvements situated within the Common Areas or within easements encumbering Lots; (c) such security systems, utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the service district, public or private utility or other person; (d) all lawns, trees, shrubs, hedges, grass and other landscaping situated within the Subdivision

(but not on Lots) as it may be constituted from time to time; and (e) all maintenance of landscape and/or buffer easements; and

- (ii) Proposed Assessments against each member. Copies of the proposed budget and proposed Assessments shall be transmitted to each member at least thirty (30) days prior to the first day of the fiscal year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion levy an additional Assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.
- (c) The Board of Directors shall determine the method of payment of such Assessments and the due dates thereof and shall notify the members thereof. The Assessments will initially be on an annual basis unless changed by a vote of the majority of the Board of Directors.
- (d) The depository of the Association shall be such bank or banks as shall be designed from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the directors.
- (e) An audit of the accounts of the Association may be made annually and a copy of the report shall be furnished to each member not later than ninety (90) days after the last day of the fiscal year for which the report is made.
- (f) Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the directors, but shall be at least one-half (1/2) the amount of the total annual assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

7. PHYSICAL MANAGEMENT

Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair and have jurisdiction over the standards of exterior maintenance over all portions of the Common Areas, individual regimes, and all Lots, which responsibility shall include the maintenance, repair and/or replacement of: (i) all buildings and improvements located within the Association's Common Areas, including Recreational Amenities; (ii) all roads, walks, trails, lagoons, ponds, parking lots, landscaped areas, natural areas and other improvements situated within the Common Areas or within easements encumbering Lots; (iii) such security systems and utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the Common Areas and which are not maintained by a public authority, public service district, public or private utility or other person; and (iv) all lawns, trees, shrubs, hedges, grass and other landscaping situated within the Subdivision (but not on Lots) as it may

be constituted from time to time. The Association shall not be liable for injury or damage to any person or property (a) caused by the elements or by any Owner or any other person, (b) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (c) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system or utility line or facility, the responsibility for the maintenance of which is not that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such owner which may be stored or left in or upon any portion of the Common Areas or any other portion of the Property. No diminution or abatement of Assessments or charges shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under the Declaration, or 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 charges being a separate and independent covenant on the part of each Owner.

In the event that the Declarant or the Board of Directors determines that: (i) 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 (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an owner, his family, tenants, guests or invitees, and is not covered or paid for by insurance in whole or in part, then in either event, the Declarant or the Association, except in the event of an emergency situation, may give such owner written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repairs or replacement, at the sole cost and expense of such owner, and 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 good and workmanlike manner, or if replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair or replacement and diligently proceed to complete the same in good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the 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 Lot are subject and shall become a lien against such Lot and shall become a lien against such Owner's Lot. In the event that Declarant undertakes such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

8. PARLIAMENTARY RULES.

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

9. AMENDMENTS TO BY-LAWS

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

- (a) Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the directors, or by members of the

Association holding one-fourth (1/4) of the Class A votes in the Association, whether meeting as members or by instrument in writing signed by them.

- (b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in absence of the President, who shall thereupon call a special joint meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members if required as herein set forth.
- (c) In order for such amendment or amendments to become effective, the same must be approved by a vote of the members holding at least a majority of the total votes at a meeting at which a quorum is present. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President or Secretary of the Association, and a copy thereof shall be recorded in the Register of Mesne Conveyances of Charleston County, South Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the directors and members.
- (d) At any meeting held to consider such amendment or amendments to the By-laws, the written vote of any member of the Association shall be recognized if such member is no in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.
- (e) No amendment may be adopted or become effective without the prior written consent of the Declarant so long as Declarant retains its Class B voting privileges.
- (f) The Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B Membership.

10. INSURANCE AND CASUALTY LOSSES

10.1 Insurance.

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

10.1.2 The Board or its duly authorized agents shall have the authority and may obtain and continue in effect a public liability policy covering all the Common Areas and all damage or injury caused by the negligence of the Association, its members, its directors

and officers, or any of its agents. Such public liability policy shall provide such coverages as are determined to be necessary by the Board of Directors.

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

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

10.1.4.1 All policies shall be written with a company holding rating of A + 10 or better in such financial categories as established by Best's Insurance Reports, if such a company is available or, if not available, its equivalent rating or the best rating possible.

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

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

10.1.4.4 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.

10.1.4.5 All policies shall contain a waiver of subrogation by the insurer as to any claims against the Association, the Association's directors and officers, the owners and their respective families, servants, agents, tenants, guest and invitees, including without limitation the Association's manager.

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

10.1.5 It shall be the individual responsibility of each Owner at his own expense to provide, as he sees fit, public liability, property damage, title and other insurance with respect to his own Lot. The Board of Directors may require all owners, to include the Declarant, to carry public liability and property damage insurance on their respective properties and Lots, and to furnish copies of certificates thereof to the Association.

10.2 Damage to or Destruction of Common Areas.

Immediately after the damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction, as used in this Article means repairing or restoring the damages to property to substantially the same condition in which it existed prior to the fire or other casualty. Within sixty (60) days following any damage or destruction of all or part of the Common Areas, the Association shall use such insurance proceeds as may be available to restore or replace such damaged improvements, to include trees, shrubbery, lawns, landscaping, and natural vegetation. If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a special assessment against all owners, in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction, provided that said special assessment is first approved by two-thirds of the members of each class of membership present and voting at a meeting duly called to consider said special assessment. Such a special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied. Any and all sums paid to the Association under and by virtue of such assessments shall be held by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds and assessments shall be disbursed by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board of Directors. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the Association.

10.3 Damage to or Destruction of Lots.

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

11. CONDEMNATION OF COMMON AREAS

11. 1 Whenever all or any part of the Common Areas of the Subdivision shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Board acting with the approval by a vote of two-thirds (2/3) of the total votes of the Association who are voting in person or by proxy, at a meeting duly called for such purpose, for so long as Declarant owns any Lot primarily f or the purpose of sale, the award of proceeds

made of collected for such taking or sale in lieu thereof shall be payable to the Association and shall be disbursed or held as follows:

11.1.1 If the taking or sale in lieu thereof involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant, for so long as Declarant owns any Lot primarily for the purpose of sale, together with at least seventy-five (75%) percent of the total votes of the Association, shall otherwise agree, the Association shall restore or replace such improvements so taken, to the extent practicable, on the remaining lands included in the Common Areas which are available therefor, in accordance with the plans approved by the Board of Directors, the Architectural Control Committee, and by the Declarant, for so long as the Declarant owns any Lot primarily for the purpose of sale. 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, provided that said special assessment is first approved by two-thirds of the members of each class of membership present and voting at a meeting duly called to consider said special assessment, such special assessment to be in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction.. Such special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied, and additional special assessments may be made at any time during or following the completion of any repair or reconstruction. If such improvements are not to be repaired or restored, the award or proceeds shall be retained by and for the benefit of the Association.

11.1.2 If the taking or sale in lieu thereof does not involve any improvements to the Common Areas, or if there are not funds remaining after any such restoration or replacement of such improvements is completed, then such award, proceeds or net funds shall be retained by and for the benefit of the Association.

11.1.3 If the taking or sale in lieu thereof includes all or any part of a Lot and includes any part of the Common Areas, then a court of competent jurisdiction shall apportion such award or proceeds and such award or proceeds shall be disbursed to the Association and the Owners so affected so as to give just compensation to the Owners of any Lot; provided, however, such apportionment may instead be resolved by the agreement of: (i) the Board of Directors; (ii) the Owners of all Lots wholly or partially taken or sold, together with the Mortgagees for such Lot; and (iii) the Declarant, for so long as the Declarant owns any Lot primarily for the purpose of sale.

12. ASSESSMENTS

12.1 Purpose of Assessments.

The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and occupants of the Subdivision, and maintaining the Subdivision and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors. These assessments are in addition to any charges or assessments imposed by any Sub-Association or ownership sub-structure situate within the Subdivision as it may be constituted from time to time.

12.2 Creation of Lien and Personal Obligation of Assessments.

Each owner of a Lot by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association: (a) annual Assessments, such Assessments to be established and collected as provided in the Declaration and in Paragraph 12.3 hereof; (b) special assessments, such assessments to be established and collected as provided in the Declaration and in Paragraph 12.4 hereof; and (c) individual or specific assessments, against any particular Lot which are established pursuant to the terms of this Declaration, including but not limited to fines as may be imposed against such Lot in accordance with the provisions of these By-Laws and of the Declaration. Any such Assessments, together with late charges as provided in the Declaration, together with court costs and reasonable attorneys fees incurred to enforce or collect such Assessments, shall be an equitable charge and a continuing lien upon the Lot, the Owner of which is responsible for payment. Each Owner shall be personally liable for assessments coming due while he is the Owner of a Lot, and his grantee shall take title to such Lot subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantee to recover from his grantor any amounts paid by such grantee therefor; provided, however, the lien for unpaid assessments shall not apply to the holder of any first priority institutional Mortgage or to the holder of any Mortgage securing a loan made by the Declarant, its affiliates, successors or assigns, and who take title to a Lot through foreclosure, or to any purchaser of such Lot at such foreclosure sale until title vests at which time charges for assessments apply as to any other Owner. In the event of co-ownership of any Lot, all of such co-Owners shall be jointly and severally liable for the entire amount of such assessments. Assessments shall be paid in such manner that unless otherwise provided by the Board, the annual assessment shall be paid in equal quarterly installments.

12.3 Computation of Annual Assessments.

It shall be the duty of the Board at least thirty (30) days prior to the commencement of the Association's fiscal year to prepare and adopt a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution of reserve account if necessary for the capital needs of the Association. The total annual assessments shall be divided among the Lots equally, except as provided in the Declaration, so that each Lot except Lots owned by the Declarant, a Sub-Declarant or a Builder, shall be subject to equal annual assessments. The Association's budget shall be revisable by the Board, without the necessity of approval by the Owners. In the event the Board fails for any reason to determine the Budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual assessment in effect for the then current year shall be increased by five (5%) percent, and such increased budget shall be implemented for the succeeding year, until a new budget shall have been approved as provided above. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a special assessment as provided in Paragraph 12.4 hereof. The Common Expenses to be funded by the annual assessments may include, but shall not necessarily be limited to, the following:

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

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

12.3.3 The cost of any policies of insurance purchased for the benefit of all Owners and the Association as required or permitted by the Declaration, including fire, flood and

other hazard coverage, public liability coverage and such other insurance coverage as the Board of Directors determines to be in the interests of the Association and the Owners;

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

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

12.3.6 The expenses of the Architectural Control Committee which are not defrayed by plan review charges;

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

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

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

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

12.4 Special Assessments.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for any other purpose set forth in the By-Laws of the Association. So long as the total amount of the special assessments allocable to all of the Lots in the Subdivision does not exceed Five Thousand and no/100 (\$5,000.00) Dollars for the entire Subdivision in any one fiscal year, the Board of the Association may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to the entire Subdivision to exceed this limitation shall be effective only if such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose special assessments shall be paid as determined by the Board of Directors, and the Board may permit special assessments to be paid in installments extending beyond the fiscal years in which the special assessment is imposed.

12.5 Individual Assessments.

Any expenses of the Association occasioned by the conduct of less than all of the Owners or by the family, tenants, agents, guests or invitees of any Owner shall be specially assessed against such owners and their respective Lots. The individual assessments provided for in this Paragraph shall be levied by the Board of Directors and the amount and due date of such assessment so levied by the Board shall be as specified by the Board.

12.6 Initial Assessment.

The Association shall collect the Initial Assessment as set out in Section 3.5 of the Declaration according to the terms and conditions thereof.

12.7 Liens.

All sums assessed against any Lot pursuant to the Declaration, together with court costs, reasonable attorneys fees, and late charges as provided herein, shall be secured by an equitable charge and continuing lien on such Lot in favor of the Association. Such liens shall be superior to all other liens and encumbrances on such Lot except only for: (i) liens of ad valorem taxes; and (ii) liens for all sums unpaid on a first priority institutional Mortgage or on any Mortgage to the Declarant, or its affiliates, successors or assigns, and all amounts advanced pursuant to any such Mortgage and secured thereby in accordance with the terms of such instrument. Notwithstanding the foregoing to the contrary, the subordination of assessments to the lien of such Mortgages shall only apply to such assessments, which have become due and payable prior to a foreclosure. All other person(s) acquiring liens or encumbrances on any Lot after the Declaration shall have been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to such future liens for assessments as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens and encumbrances.

12.8 Effect of Nonpayment; Remedies of the Association.

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

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

In any voluntary conveyance of any Lot (other than deed in lieu of foreclosure as set forth above), the Grantee shall be jointly and severally liable with the Grantor for all unpaid assessments against Grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of the Grantee to recover from the Grantor the amounts paid by the Grantee therefor.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by Association which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sums then remaining owing to it.

12.9 Certificate.

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

12.10 Date of Common Assessments.

The annual assessments provided for herein shall commence as to each Lot as set forth the Declaration.

13. RULE MAKING

13.1 Rules and Regulations.

Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots and the Common Areas and facilities located thereon, including without limitation the Recreational Amenities. In particular but without limitation, the Board of Directors may promulgate from time to time rules and regulations which shall govern activities which may, in the judgment of the Board of Directors, be environmentally hazardous, such as application of fertilizers, pesticides and other chemicals. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, tenants, guests, invitees, servants and agents, until and unless any such rule or regulation be specifically overruled, canceled or modified by the Board of Directors or in a regular or special meeting of the Association by the

vote of the Owners, in person or by proxy, holding a majority of the total votes in the Association, provided that in the event of such vote, such action must also be approved by the Declarant, for so long as the Declarant owns any Lot or Lot primarily for the purpose of sale.

13.2 Enforcement.

Subject to the provisions hereof, upon the violation of the Declaration, the By-Laws or any rules and regulations duly adopted hereunder, including without limitation the failure to timely pay any assessments, the Board shall have the power: (i) to impose reasonable monetary fines which shall constitute an equitable charge and a continuing lien upon the Lot, the Owners, occupants or guests of which are guilty of such violation; (ii) to suspend an owner's right to vote in the Association; or (iii) to suspend an owner's right (and the right of such owner's family, guests and tenants and of the co-Owners of such Owner and their respective families, guests and tenants) to use any of the Recreational Amenities, and the Board shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such owner, his family, guests or tenants or by his Owners or the family, guests or tenants of his Owners or the family, guests or tenants of his owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

13.3 Procedure.

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

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

13.3.1.1 The alleged violation;

13.3.1.2 The action required to abate the violation; and

13.3.1.3 A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the ByLaws or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

13.3.2 Within two (2) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such owner with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

13.3.2.1 The nature of the alleged violation;

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

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

13.3.2.4 The proposed sanction to be imposed.

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

13.4 Enforcement.

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

14. DEFINITIONS

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

15. CONFLICTS

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

STATE OF SOUTH CAROLINA) CERTIFICATION OF AMENDMENT TO
) BY-LAWS FOR AUTUMN CHASE/
COUNTY OF CHARLESTON) MAGNOLIA LAKES AT GRANDE OAK
) PLANTATION HOMEOWNERS'
) ASSOCIATION, INC.

THIS is certification that the By-laws of Autumn Chase/Magnolia Lakes at Grande Oak Plantation Homeowners' Association, Inc. (the "Association"), in the RMC Office for Charleston County in Book H-337, Page 240, as amended by instrument recorded in Book N-467, Page 251, have been further amended in accordance with and pursuant to the provisions for amending the By-laws in the following particulars, to wit:

- 1. Paragraph 4, Section 2 of the By-laws shall be amended so that after amendment it shall read as follows:

Term of Office.

At the annual meeting to be held in the calendar year 2004, the members shall elect five (5) directors to serve staggered terms: two (2) directors to serve for one (1) year and three (3) directors to serve for two (2) years. The directors shall serve until their successors shall be elected and qualified. Thereafter, each director shall be elected for a term of two (2) years.

The directors shall be elected by a majority of the votes cast by members at the meeting called for said purpose. In voting for directors, the Class A members and Class B members shall have the number of votes set out in Section 3.4 of the Declaration.

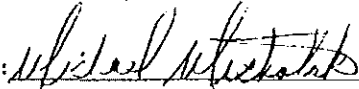
- 2. All other provisions of the By-laws not amended hereby shall remain in full force and effect.

WITNESS the Hand and Seal of the Secretary of Autumn Chase/Magnolia Lakes at Grande Oak Plantation Homeowners' Association, Inc. this 31st day of MARCH, 2004.

WITNESSES:
Homeowners'

Autumn Chase/Magnolia Lakes at
Grande Oak Plantation *
Association, Inc.



By: 

STATE OF SOUTH CAROLINA) CERTIFICATION OF AMENDMENT TO
) BY-LAWS FOR AUTUMN CHASE/
COUNTY OF CHARLESTON) MAGNOLIA LAKES AT GRANDE OAK
) PLANTATION HOMEOWNERS'
) ASSOCIATION, INC.

THIS is certification that the By-laws of Autumn Chase/Magnolia Lakes at Grande Oak Plantation Homeowners' Association, Inc. (the "Association"), in the RMC Office for Charleston County in Book 432, Page 240 have been amended in accordance with and pursuant to the provisions for amending the By-laws in the following particulars, to wit:

1. Paragraph 4, Section 1 of the By-laws shall be amended so that after amendment it shall read as follows:

Governing Body: Composition.

The affairs of the Association shall be governed by a Board of Directors. Until the first annual meeting of the members, the affairs of the Association shall be managed by a Board of two (2) directors selected by the Declarant. Thereafter, the affairs of the Association shall be managed by a Board of five (5) directors elected as provided herein.

2. Paragraph 4, Section 2 of the By-laws shall be amended so that after amendment it shall read as follows:

Term of Office.

At the annual meeting to be held in the calendar year 2002, the members shall elect five (5) directors for a term of one (1) year. The directors shall be elected by a majority of the votes cast by members at the meeting called for said purpose. In voting for directors, the Class A members and Class B members shall have the number of votes set out in Section 3.4 of the Declaration.

3. All other provisions of the By-laws not amended hereby shall remain in full force and effect.

WITNESS the Hand and Seal of the Secretary of Autumn Chase/Magnolia Lakes at Grande Oak Plantation Homeowners' Association, Inc. this 10 day of September, 2008.