

**STATE OF SOUTH CAROLINA DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
COUNTY OF CHARLESTON HAMILTON GROVE at GRANDE OAKS**

This Declaration of Covenants is made by Beazer Homes Corp. a Tennessee Corporation (herein "Owner" and "Builder"). In this Declaration the Owner and Builder shall be jointly referred to as "Declarant". The Owner owns in fee simple Lot 9A (34.787 acres) and Lot 9B (38.638 acres), Hamilton Grove, inclusive as shown on a plat thereof dated May 26, 2004 entitled "PLAT SHOWING THE SUBDIVISION OF LOT 9, A 122.229 ACRES TRACT OF LAND, AND THE EXTENSION OF THE RIGHT OF WAY OF ASHLEY GARDENS BOULEVARD, PROPERTY OF BEES RESOURCES, L.P. LOCATED IN BEES LANDING, IN THE CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA", which plat was prepared by Richard A. Aldridge, PLS, of Trico Engineering Consultants, Inc., and which plat is recorded in the RMC Office for Charleston County in Plat Book EH at Page 291, and more particularly described in Exhibit "A" annexed to this Declaration.

WHEREAS, the subdivision is known as HAMILTON GROVE at GRANDE OAKS, and

WHEREAS, the Declarant wishes to accomplish the following objectives for its benefit and for the benefit of homeowners and lot owners of Property in Hamilton Grove at Grande Oaks by the imposition of the covenants and restrictions set forth herein:

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

WHEREAS, as hereinafter provided in this Declaration, the Declarant has retained and reserved the right, privilege and option to submit to the provisions of this Declaration at a later time, and from time to time as a part of this subdivision, all or any portion of any contiguous property.

NOW, THEREFORE, the Declarant hereby declares that all of the Property known and designated as Lot 9A (34.787 acres) and Lot 9B (38.638 acres), Hamilton Grove, inclusive as shown on a plat thereof dated May 26, 2004 entitled "PLAT SHOWING THE SUBDIVISION OF LOT 9, A 122.229 ACRES TRACT OF LAND, AND THE EXTENSION OF THE RIGHT OF WAY OF ASHLEY GARDENS BOULEVARD, PROPERTY OF BEES RESOURCES, L.P. LOCATED IN BEES LANDING, IN THE CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA", which plat was prepared by Richard A. Aldridge, PLS, of Trico Engineering Consultants, Inc., and which plat is recorded in the RMC

Office for Charleston County in Plat Book EH at Page 291 and as described on Exhibit "A", and any additional contiguous property, as Declarant, may in its 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. DECLARANT SHALL NOT BE OBLIGATED TO IMPOSE ON THE ADDITIONAL PROPERTY OR ANY PORTION OF IT ANY OF THE COVENANTS, CONDITIONS OR RESTRICTIONS SIMILAR TO THOSE 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 any contiguous real property or portions thereof.

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 Hamilton Grove 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.

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 Declarant as Common Areas. Such areas are intended to be devoted to the common use 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 Declarant pursuant to the terms herein contained and dedicated as a Common Area by the Declarant 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 RMC Office for Charleston County, South Carolina.

Section 1.9. Declarant means Beazer Homes Corp., a Tennessee corporation, its successors and assigns. The Declarant shall have the right to assign any or all rights which it may possess as Declarant to the Hamilton Grove 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. Grand Oaks Boulevard Association, Inc. , shall mean the South Carolina Corporation established to administer the Grande Oaks Boulevard Maintenance Fund

Section 1.12. Grande Oaks Boulevard Maintenance Fund shall mean the annual assessment due the Grand Oaks Boulevard Association, Inc. pursuant to the "Declaration of Covenants and Restrictions of Grande Oaks Plantation" dated October 27, 1998 and recorded October 28, 1998 in Book P 313 at Page 895 of the RMC Office for Charleston County, and as amended and restated by "Amended and Restated Declaration of Covenants and Restrictions - Grande Oaks Plantation" dated March 30, 2000 and recorded April 7, 2000 in Book M345 at page 583 of the RMC Office for Charleston County .

Section 1.13. 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 of mortgage loans in the secondary market such as (but not limited to) Federal National Mortgage Association or Federal Home Loan Mortgage Corporation.

Section 1.14. 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 1.15. 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, breeze ways, terraces, balconies, decks, patios, courtyards, greenhouses, atriums, bulk storage areas, attics and basements.

Section 1.16. 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 1.17. 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 1.18. Mortgagee shall mean and refer to the holder of a Mortgage.

Section 1.19. 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 1.20. 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 Declarant so long as Declarant retains its Class B membership whether or not Declarant owns any Lot.

Section 1.21. Person shall mean and refer to a natural person, corporation, partnership, association, proprietorship, trust, or any other legal entity or any combination thereof.

Section 1.22. Property or Properties shall mean and refer to all property which is subject to this Declaration.

Section 1.23. Subdivision shall mean and refer to those lots, tracts or parcels of land described on Exhibit "A", together with all improvements presently thereon and subsequently constructed thereon, and upon the submission to the provisions of this Declaration of any contiguous tracts or parcels of land, or any portion thereof which has been so submitted to this Declaration, together with all improvements thereon or thereafter constructed thereon.

Section 1.24. Subdivision Plat shall mean and refer to those certain plats described on Exhibit "A" attached hereto, together with (i) any future revisions thereof; or (ii) any subdivision plat for any portion of the Additional Property as may be submitted to the terms of

this Declaration and recorded from time to time in the RMC Office for Charleston County, South Carolina.

Section 1.25. Working Capital Fund shall mean and refer to an Owner's share of the two (2) months annual assessments collected from the purchaser of each lot and transferred to the Association at the time of the closing of the initial sale of each Lot and at the time of the closing of each and every subsequent sale of each Lot to a third party, in the manner herein provided.

Section 1.26. 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 "A" attached hereto. The Property shall also include certain improvements to the Common Areas, including utility systems, drainage systems and other improvements serving the Lots. 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. Declarant 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 Declarant including, but not necessarily limited to, the following: (i) installation and maintenance of any improvements in and to the Common Areas; (ii) installation and maintenance of any water, sewer and other utility systems and facilities.

Section 2.2. Plan of Development of Additional Property.

Declarant hereby reserves 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 Declarant 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.

DECLARANT 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 DECLARANT.

The option reserved by Declarant 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 Declarant 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 Declarant 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 Declarant desires 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 "A" 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 Declarant's 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 Declarant.

**ARTICLE III
THE ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS**

Section 3.1. The Association.

The Declarant has established (or will establish) the Association for the purpose of exercising powers of (i) owning, maintaining and administering the Common Areas; (ii) providing common services; (iii) administering and enforcing covenants, conditions and restrictions contained herein; (iv) levying, collecting and disbursing Assessments and charges herein created; and (v) paying the maintenance assessments due the Grande Oaks Boulevard Association, Inc. Further, the Declarant reserves the right to convey to the Association and the Association agrees to accept any or all of its rights and obligations set forth herein. The Association shall be authorized (but not required) to provide the following services:

- (a) clean-up, maintenance, and landscaping of all open spaces, drainage ponds, common area retaining walls and wetlands to the extent allowed by law owned by Association within the Subdivision, and to maintain the same in a good and attractive condition including, without limitation, the mowing of laws, planting and maintenance of shrubs, flowers and other plants, and watering on and within the boundaries of the Common Areas, and to keep all such Common Areas clean and free of debris and to maintain the same in a clean and orderly condition.
- (b) maintain any and all Hamilton Grove entrance way signage, and maintain the same in a good and attractive condition including, without limitation, periodic painting of such signage, the mowing of lawns, planting and maintenance of shrubs, flowers and other plants, and watering on and within the boundaries of the signage areas of the Common Areas
- (c) unless maintained by County of Charleston, or the Grande Oaks master Association, maintain any and all common area street lightening along any and all rights of way within Hamilton Grove
- (d) unless maintained by the County of Charleston, or the Grande Oaks master Association maintain all common area landscaping, including grass cutting, along all the rights of ways within Hamilton Grove
- (d) maintain any and all drainage ditches and detention/retention ponds
- (e) to set up and operate the Architectural Control Committee as provided herein;
- (f) to construct improvements on open spaces and Common Areas;
- (g) maintain all recreational and related facilities, if any, such as walking and fitness trails, playground equipment, picnic tables, tennis courts and community swimming pools, located within common Areas as a common facility, provided

that, the reference to said facilities herein shall not be construed to require said facilities to be constructed or installed in the Common Areas or elsewhere.

- (g) 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;

The Association is specifically authorized and empowered to engage the services of any person, firm, or corporation to act as management agent of the Development at a compensation to be established by the Board of Directors and to perform all of the powers and duties of the Association; provided, however, that the terms of such agreement with a managing agent shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one (1) year terms.

- (h) to provide liability and hazard insurance covering improvements and activities on the open spaces and the common properties, independently or in collaboration with the Declarant;
- (i) to provide directors and officers liability insurance for the Association and its duly elected Directors and Officers;
- (j) 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;
- (k) 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.
- (l) on behalf of each homeowner in Hamilton Grove, to assume and pay the maintenance assessments to the Grand Oak 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 P 313 at Page 895 of the RMC Office for Charleston County, and as amended and restated by "Amended and Restated Declaration of Covenants and Restrictions - Grande Oaks Plantation" dated March 30, 2000 and recorded April 7, 2000 in Book M345 at page 583 of the RMC Office for Charleston County .
- (m) on behalf of each homeowner in Hamilton Grove, to exercise such voting rights assigned to the property and to each Lot, or each homeowner, subject to this Declaration as set forth in the "Declaration of Covenants and Restrictions of Grande Oaks Plantation" dated October 27, 1998 and recorded October 28, 1998 in Book P 313 at Page 895 of the RMC Office for Charleston County, and as amended and restated by "Amended and Restated Declaration of Covenants and Restrictions - Grande Oaks Plantation" dated March 30, 2000

and recorded April 7, 2000 in Book M345 at page 583 of the RMC Office for Charleston County .

Section 3.2. Rules and Regulations.

The Association, by and through the Board of Directors, may adopt from time to time additional reasonable rules and regulations governing the use of Common Areas 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 Declarant. 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 Declarant, Beazer Homes Corp. The Class B members shall be entitled to ten (10) votes for each Lot in which it holds the interest required for membership under Section 3.3 above and (as to the Additional Property) ten (10) votes for each additional Lot which the applicable zoning laws would allow the Declarant to create in the Additional Property owned by the Declarant and which the Declarant would have a right to submit to this Declaration. The Class B membership shall cease and become converted to Class A membership upon the occurrence of the first of the following events:

1. when the total votes outstanding in Class A Membership equal the total votes outstanding in Class B Membership; or
2. when the Declarant execute and record an instrument forfeiting its Class B Membership; or
3. December 31, 2007.

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 Declarant's Interest.

The Declarant reserves the right to transfer and assign its interests to either a subsequent developer and/or a subsequent Owner. In the event of such an assignment, Declarant shall file a notice in the Charleston County RMC Office formally assigning the interest of the Declarant or either of them. The successor of either of the Declarant shall thereafter succeed to all of the authorities, rights and responsibilities of the Declarant 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 Declarant hereby covenants for itself and its successors and assigns that it will, on or before December 31, 2006, 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 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 Declarant 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 Declarant 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 Declarant 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 landlocked adjacent Owners) to the nearest public highway;
- (d) The right of the Association, by and through the Board of Directors, as provided in its Bylaws, 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 established rules and regulations; and
- (e) The right of the Association, by and through the Board of Directors, to establish rules and regulations for the Subdivision.

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. Easements for Declarant.

During the period that Declarant owns any Common Area, or owns any Lot primarily for the purpose of sale, Declarant 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 as are contemplated by this Declaration or as Declarant desires (in its sole discretion) including without limitation any improvements or changes permitted and described in this Declaration and for the purpose of doing all things reasonably necessary and proper in connection therewith; provided that, in no event, shall Declarant have the obligation to do any of the foregoing.

Section 4.6. 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 Declarant owns 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 Declarant 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 4.7. Easements for Walks 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, traffic directional signs, drainage ways, and related improvements.

Section 4.8. 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 4.9. 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, its 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, rentals, improvement and/or sale of Lots or the Common Area. The Declarant 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 Declarant (in the Declarant's sole discretion) may establish.

Section 4.10. 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 Declarant 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 4.11. 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 4.12. 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, maintenance and replacements to the Common Areas and the portions of Lots set forth herein, and the cost thereof shall be assessed as Common Expenses and collected from the Owners on an equal basis.

Section 5.2. Responsibilities of Owners.

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. Declarant shall be responsible for Declarant-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 or, 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, landscaped areas/natural areas and other improvements situated within the Common Areas or within easements encumbering Lots; (ii) such utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the Common Areas and which are not maintained by the Declarant 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, 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 Declarant intends that all roads providing access to Lots within the Subdivision shall be dedicated as public roads to the appropriate governmental entity and at the appropriate time, at the sole option of the Declarant.
- (c) In the event that the Declarant 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 Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice of the Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner. 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 to and become a part of the Assessment to which such Owner's Lot are subject and

shall become a lien against such Lot and become a lien against such Owner's Lot. In the event the Declarant undertakes such maintenance, cleaning, repair replacement, the Association shall promptly reimburse the Declarant for the Declarant's 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 thereof, 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 (ii) 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 solely to promote the health, safety, and welfare of the Owners in the Subdivision (and their respective families, guests, tenants and invitees) and for the improvement, protection, replacement, operation, and maintenance of the Common Areas and for the provision of various forms of insurance for the Association, its property (including dedicated Common Areas), 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 at the meeting 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 fifteen (15) days nor more than forty five (45) 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 sixty (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 Declarant shall be exempt from the payment of Annual Assessments as long as they are owned by said Declarant 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 Declarant 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 Declarant shall be exempt from the payment of annual Assessment as long as they are owned by said Declarant. At such time as a Lot is conveyed from the Declarant 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 (30) 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, 2005, the Maximum Annual Assessment (Maximum Annual Assessment) shall be \$325.00 per Lot. The Maximum Annual Assessment thereafter may be increased each year not more than five (5%) percent above the Maximum Annual Assessment for the previous year without a vote of the membership. From and after January 1, 2005, the Maximum Annual Assessment may be increased above ten (10%) percent by a vote of two-thirds (2/3) 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. Working Capital Fund.

The Association may establish a working capital fund equal to the aggregate of two (2) months annual assessments (as described in Section 6.1 and 6.7 hereof) for each Lot. If established, each Lot's share of said working capital fund shall be collected from the purchaser and transferred to the Association at the time of the closing of the initial sale of each Lot to a party other than the Declarant and at the time of the closing of each and every subsequent sale of each Lot to a third party, other than the Declarant. The working capital fund shall be maintained in a separate account for the use and benefit of the Association and shall be used to meet unforeseen expenditures or to acquire furniture, equipment or services deemed necessary or desirable by the Board of Directors of the Association. All sums paid into the working capital fund are in addition to and not in lieu of regular assessments for common expenses.

Section 6.9. Effect of Nonpayment of Assessments and Working Capital Fund: Remedies of the Association.

Any Assessment, or Working Capital Fund payment, not paid within thirty (30) days after the due date shall bear interest from the due date at a rate equal to 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, or Working Capital Fund payment, provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

Section 6.10. Subordination of the Lien to Mortgages.

The lien of the Assessments and Working Capital Fund payment, 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, or Working Capital Fund payment. 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 and Working Capital Fund payment, 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 and Working Capital Fund payment, thereafter becoming due or from the lien thereof.

Section 6.11. Exempt Property.

The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the Assessment and Working Capital Fund payment, 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 the Declarant;
- (d) subdivided land owned by the Declarant 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 Y517PG730
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 (3) members. One (1) of the members of the Architectural Control Committee shall be appointed by the Board of Directors of the Association. The other two (2) members of the Architectural Control Committee will be appointed by the Declarant, as long as the Declarant owns 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 (1) year. In the event the number of members of the Architectural Control Committee is expanded, the Declarant shall retain the right to appoint a majority of the members of such committee as long as the Declarant owns a Lot in the area of new homes primarily for purposes of resale and the construction of new homes in the Subdivision has not ceased for a period of more than one (1) year. At such time as the Declarant no longer owns a Lot in the Subdivision primarily for re-sale or the new homes in the Subdivision has ceased for a period of more than one (1) year, the Declarant will lose its 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 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.

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 Declarant 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 Declarant nor any member of the Architectural 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 Declarant 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.

Upon approval by the ARB of plans and specifications submitted to it, a letter of approval from the ARB shall be sent to the person submitting the same.

In the event the ARB shall fail, or delay, or deny to take action on any plans and specifications as herein provided, such failure delay or denial to take action same shall be deemed not to have been approved of the plans and specifications as submitted, and the action, or inaction, of the ARB shall in no way be deemed, or construed, as approval of the submission.

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 Declarant 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 Declarant 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 Declarant 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 Declarant 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 Declarant.

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 County of Charleston or 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 County of Charleston or 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 County of Charleston or the City of Charleston. Authorization by The Architectural Control Committee shall not exempt an Owner from compliance with the Tree Protection Ordinance of the County of Charleston or 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 in all respects, including the pump and the covering or screen thereof and method of operation by the Architectural Control Committee, prior to installation. Any and all shallow wells used to irrigation purposes shall, in addition to the written approval by the Architectural Control Committee, receive appropriate approval and permitting by the State of South Carolina or the County of Berkeley.

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 County of Charleston or 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 (6) 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 (1) 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 Declarant 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. 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 buffer zone easements shall be responsible for advising their contractor or subcontractors of the natural buffer zone and will insure 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 Declarant 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 County of Charleston or 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 types 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 Declarant. 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.

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), commercial vehicles, boat trailers or boats shall not 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, 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, poultry, swine, reptiles, 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(3)) 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 County of Charleston or 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 Declarant reserves 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, or street.

Section 7.29. Prohibition of Accessory Structures.

No dog house, detached garage, carport, swing set or 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 home sites, 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.

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 Common Area or the marsh and other bodies of water. Specifically, the Declarant 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) encroaches upon the Common Area or any portion thereof, whether by settlement or otherwise, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event any improvement or part thereof is partially or totally destroyed and then rebuilt, any encroachment of any Common Area upon a Lot(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 (1) vote and one (1) 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 Lot(s) and/or portions of Lot(s) 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 a minimum living space of 900 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. 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 7.38. 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 Declarant 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. Basketball goals, if permitted by the Architectural Control Committee must be of a removable temporary nature and stored in the garage when not in use and stored at night.

Section 7.39. 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 of a Lot; (iii) illumination of a model home and entrance features constructed by the Declarant; and (iv) other lighting originally installed by the Declarant. 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 7.40. 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 7.41. 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 7.42. 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 Declarant 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 7.43. 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 7.44. Driveways and Garages.

A maximum of two (2) 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 Declarant 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 7.45. 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 Declarant 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.

Section 7.46. Antennae, Satellite Dishes, etc.

The Board of Directors must approve the location and size of any radio or television transmission or reception tower, antenna, satellite dish or similar equipment to be erected on a Parcel. No satellite dish or similar apparatus shall exceed one meter (39.37 inches) in diameter. The Board of Directors may consider visibility of such devices from streets, Common Areas or other buildings or improvements in determining whether to approve the size or location of such a device.

**ARTICLE VIII
GENERAL PROVISIONS**

Section 8.1. Enforcement.

The Association, the Board of Directors, 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 Board of Directors, 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 Declarant 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.

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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 Declarant 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 Declarant in this Declaration.

Section 8.5. Amendment.

(a) Amendments by Declarant. The Declarant 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 "A" to include said Property. The Declarant 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 Declarant 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) This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90%) percent of the Lot Owners and thereafter by an instrument signed by not less than seventy-five (75%) percent of the Lot Owners. All amendments must be recorded in the Charleston County RMC Office.

Section 8.6. No Dedication of Common Areas, Etc.

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Every wetland, Common Area and other amenity within the Subdivision is a private amenity and neither the Declarant's recording of any such plat nor any other act of the Declarant with respect to the Property are, or are intended to be, or shall be construed, as a dedication to the public of any said Common Areas other than is reflected therein. An easement for the use and enjoyment of each of said areas is reserved to the Declarant, its successors and assigns; to the persons who are, from time to time, members of the Association; 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.

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 Declarant 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 Declarant 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 Declarant's or Association's counsel, shall be paid by the Owner of such Lot(s) in breach thereof.