



BP0179886

RETURN TO:
Erika V. Harrison
Law Office of Erika V. Harrison
P.O. Box 20956
Charleston, SC 29413

STATE OF SOUTH CAROLINA)	SECOND AMENDMENT TO
)	DECLARATION OF COVENANTS
COUNTY OF CHARLESTON)	AND RESTRICTIONS FOR HIDDEN
)	RIVER ON THE ASHLEY

This Second Amendment to Declaration of Covenants is made by **Park at the Ashley, LLC** (herein 'Owner') and **Beechwood Builders, Inc.** (herein 'Builder'). In this Declaration the Owner shall be referred to as 'Declarant.'

WHEREAS by **DECLARATIONS OF COVENANTS RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY**, dated December 20, 2006 and recorded in Book S567 at Page 38 of the RMC Office for Charleston County, South Carolina (herein the 'Declaration') and by **FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY**, recorded in Book T571 at Page 551 of the RMC Office for Charleston County, South Carolina (herein the First Amendment) the Owner and Builder did impose restrictive covenants upon the property known generally as **Lots 1-40, 50-60, 116-131 of the PARK AT THE ASHLEY** inclusive all as shown on a plat thereof entitled **FINAL PLAT LOTS 1-40 50-60 116-131 THE PARK AT RIVERS EDGE (MULTI-FAMILY PHASE) CITY OF NORTH CHARLESTON CHARLESTON COUNTY SOUTH CAROLINA FOR CTM III LLC** and recorded in the RMC/ROD Office in Plat Book EH at page 272 and 273.

WHEREAS **Section 1.5** of the **DECLARATION** provides that the By-Laws of the Association were attached as Exhibit B to the **DECLARATION** but due to a clerical error the By-Laws were not attached. The Declarant hereby corrects this clerical error and attaches to this Amendment Exhibit B the By-Laws of the Association. Pursuant to **Section 10.5 Amendment**, the Declarant exercises its right to Amend the Declaration to correct the clerical error.

WHEREAS **Section 3.4 VOTING RIGHTS** of the **DECLARATION** and the **FIRST AMENDMENT** provide that 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 executes and records an instrument forfeiting its Class B Membership; or
3. December 31, 2010.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS that **PARK AT THE ASHLEY, LLC** and **Beechwood Builders, Inc.**, as the Declarant and Builder of that certain property located in Charleston County, State of South Carolina shown and designated as Lots **1-40, 50-60, 116-131 of the PARK AT THE ASHLEY** inclusive all as shown on a plat thereof entitled **FINAL PLAT LOTS 1-40 50-60 116-131 THE PARK AT RIVERS EDGE (MULTI-FAMILY PHASE) CITY OF NORTH CHARLESTON CHARLESTON COUNTY SOUTH CAROLINA FOR CTM III LLC** and recorded in the RMC/ROD Office for Charleston County in **Plat Book EH, Page 272 and 273** hereby forfeits its Class B Membership.

NOW, THEREFORE, pursuant to the originally-filed **DECLARATIONS OF COVENANTS RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY** and **FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY**, Class B membership has ceased and any Class B membership is hereby converted to Class A membership.

Declarant further declares that, in accord with the provisions of **Section 4.2** of the **DECLARATIONS OF COVENANTS RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY**, it hereby conveys to the Association its fee simple title to the Common Areas of the Subdivision, signified by limited warranty deed to be recorded in Book at Page of the RMC Office for Charleston County, South Carolina.

In all other respects the **DECLARATIONS OF COVENANTS RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY** and **FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY** shall remain in full force and effect.

[THIS PAGE INTENTIONALLY LEFT BLANK]

WITNESS the execution hereof by Park at the Ashley, LLC, as Declarant and Beechwood Builders, Inc. as Builder, on this 23rd day of MARCH, 2010.

PARK AT THE ASHLEY, LLC

[Signature]
Michelle J. Bryson

[Signature]
By: John Seppala
V.P.

BEECHWOOD BUILDERS, INC.

Michelle J. Bryson

[Signature]
By: Amos Seppala
V.P.

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me on this 23rd day of MARCH, 2010, by Park at the Ashley, LLC by Josh Seppala, its Vice President and authorized agent.

[Signature]
Notary Public for South Carolina
My Commission expires: 07/21/13

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me on this 23rd day of MARCH, 2010 by Beechwood Builders, Inc. by Amos Seppala, its Vice President and authorized agent.

[Signature]
Notary Public for South Carolina
My Commission expires: 07/21/13

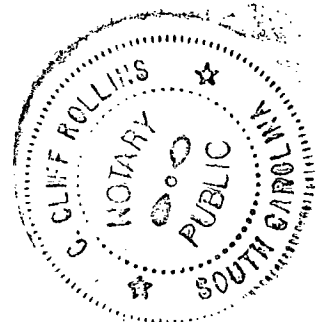


EXHIBIT B

HIDDEN RIVER ON THE ASHLEY HOMEOWNERS' ASSOCIATION BYLAWS'

EXHIBIT LIST

Ex. A	Declaration of Covenants and Restrictions for Hidden River on the Ashley
Ex. B	First Amendment to Declaration of Covenants and Restrictions for Hidden River on the Ashley
Ex. C	Second Amendment to Declaration of Covenants and Restrictions for Hidden River on the Ashley
Ex. D	Appointment of Hidden River on the Ashley Homeowner's Association Board of Directors

EXHIBIT B

HIDDEN RIVER ON THE ASHLEY HOMEOWNERS' ASSOCIATION

BYLAWS

ARTICLE I PURPOSE

The Hidden River on the Ashley Homeowners' Association (herein referred to as "the Association"), a non-profit corporation existing under the laws of the State of South Carolina, has been organized for the purpose of administering a planned community established pursuant to the laws of the State of South Carolina which is identified by the name Hidden River on the Ashley, said planned community being located in Charleston County, South Carolina and being identified with more particularity in the Declaration of Covenants and Restrictions for Hidden River on the Ashley (hereinafter the "Declaration") establishing the planned community, **Exhibit A**, along with the First Amendments to the Declaration, attached hereto as **Exhibit B** and the Second Amendment to the Bylaws which is simultaneously recorded herewith and is attached hereto as **Exhibit C**. These Bylaws shall hereafter be the Bylaws referenced in the Declaration recorded in Book S567, Page 039 at the Charleston County RMC Office and identified in said Declaration as Exhibit B to the said Declaration, attached hereto as **Exhibit A**.

ARTICLE II DEFINITIONS

All terms and phrases used herein shall have the same definition and meaning as set forth in the Declaration and as follows, unless the context otherwise requires:

2.1 Association: The Association as identified herein shall be the Hidden River on the Ashley Homeowners Association, Inc.

2.2 Common Areas: Shall have the same meaning as Common Areas as defined in Section 1.6 of the Declaration, attached hereto as **Exhibit A**.

2.3 Common Expenses: Shall have the same meaning as defined in Section 1.7 of the Declaration, attached hereto as **Exhibit A**.

2.4 Community: Shall refer to Hidden River on the Ashley.

2.5 Declaration: Shall have the same meaning as defined in Section 1.8 of the Declaration, attached hereto as **Exhibit A**.

2.6 Eligibility or Eligible Voters: The Board's determination of a Voting Member's eligibility to vote pursuant to Section 4.8 and 4.9 of these Bylaws.

2.7 Lot: Shall have the same meaning as defined in Section 1.14 of the Declaration, attached hereto as **Exhibit A**.

2.8 **Majority of Members:** Members owning fifty-one percent (51%) or more of the Lots in the Subdivision.

2.9 **Members:** Shall be those identified in Section 3.3 of the Declaration, attached hereto as **Exhibit A**.

2.10 **Offices:** The principal office of the Association shall be that place as determined by the Board and subsequently promulgated to the Members as provided in Section 4.5 of these Bylaws. The Association may have other offices within and without the State of South Carolina as the Association may determine or as the affairs of the Association may require from time to time.

2.11 **Occupant:** Shall have the same meaning as defined in Section 1.17 of the Declaration, attached hereto as **Exhibit A**.

2.12 **Owners:** Shall have the same meaning as defined in Section 1.18 of the Declaration, attached hereto as **Exhibit A**.

2.13 **Person:** Shall have the same meaning as defined in Section 1.19 of the Declaration, attached hereto as **Exhibit A**.

2.14 **Subdivision:** Shall refer to Hidden River on the Ashley.

2.15 **Transition Period:** The first 180 days after the recording of these Bylaws.

2.16 **Voting Member:** The designated Owner or Co-Owner of a Lot registered with the Secretary of the Association to vote on any issue, matter, or action presented to the Members for approval.

ARTICLE III
APPLICATION

All present and future Owners, Occupants and any other Person using the facilities of the Subdivision shall be and are hereby subject to all matters set forth in these Bylaws, Rules and Regulations promulgated by the Association hereof, and all things set forth in the Declaration and amendments thereto, attached hereto as **Exhibits A, B and C**. The acquisition or rental of a Lot or use of the facilities of the Subdivision shall signify that these Bylaws and all Rules and Regulations and provisions contained within the Declaration, attached hereto as **Exhibits A, B, and C**, or promulgated by the Association shall be complied with and accepted and ratified.

ARTICLE IV
MEMBERS, MEETING OF MEMBERS, AND VOTING

4.1 **Members.** Each and every Owner of a Lot shall be a Member of the Association. Further, there shall be appurtenant to each Lot in the Subdivision a single vote which, shall be voted by the Voting Member of that Lot. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Lot such subsequent transferee shall automatically become a member hereof and likewise the vote appurtenant to the Lot shall automatically pass and the membership of the transferor immediately terminated whether any membership certificate or voting certificate be transferred or not; provided, however, the Association shall for all purposes be entitled to rely upon the right to membership and

voting rights of the person shown as Owner of a Lot in its records until notified of such transfer by delivery of written notice thereof to the Secretary of the Association.

4.2 Annual Meeting. The first meeting of the Members, whether an annual or a special meeting, shall be held on such day and at such time as the Board, upon majority vote, shall determine and which shall occur not more than 180 days after the Recording of this Document with the RMC's office for Charleston County. Subsequent annual meetings of the Members shall be held within the month of January, within thirty (30) days of the month of January, or as set by the Board of Directors.

4.3 Monthly Meetings. The Association shall hold Monthly Meetings. Annually, the Board of Directors shall set a schedule for dates, time, and location of the monthly meeting and provide a copy of the schedule to the Members. Each month, notice of the monthly meeting shall be posted in conspicuous places through out the Subdivision. Notice of cancellation of a Monthly Meeting shall be given in the same manner prescribed for notice of the meeting.

4.4 Special Meetings. Special Meetings of the Members shall be promptly scheduled at any time by the Board upon vote of a majority of the Board of Directors or upon written request of the President. A special meeting of the Members can be called upon written demand delivered to the Secretary by the Members representing five percent (5%) of the total voting power of the Association. Official notification of such a meeting would be at the cost of the Members calling for the special meeting and all Members will be notified by US Mail within thirty (30) days of the Secretary's receipt of the demand. For purposes of determining the five percent (5%), the record date shall be thirty (30) days before delivery of the written demand. Upon the failure of the Association to send notice of a Special Meeting within thirty (30) days following delivery of written demand as aforesaid, any Member signing the demand may set the time and place of the Special Meeting and give notice thereof to all Members. Special Meetings can be held during the Monthly Meeting if called for by the President or the Board of Directors, and if called by either, the Monthly Meeting cannot be cancelled.

4.5 Notice and Place of Meetings. Unless otherwise provided in the Declaration, or in these Bylaws, written notice of each meeting of the Members, Annual or Special, shall be given by, or at the direction of, the Secretary, by (1): mailing a copy of such notice, first class mail, postage prepaid, (2): emailing such notice to the Members' confirmed email address, or (3) faxing the written notice to a Member's confirmed fax machine, at least thirty (30) but not more than sixty (60) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. In the case of written demand of Members representing five percent (5%) of the total voting power of the Association, written notice of such meeting shall be given not more than thirty (30) days after written demand is delivered to the Association. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal:

- (a) removing a Director or Officer without cause;
- (b) filling vacancies in the Board of Directors or Officer positions; or
- (c) amending the Declaration, or these Bylaws.

Meetings shall be held within the City of North Charleston, Charleston County, South Carolina, at the determination of the Board. Only Members will be notified of meetings where voting has been called for or planned to take place. All Members must be notified of meetings unless they sign a waiver, in person or by proxy and deliver it to the Secretary of the Association before or after the meeting. The waiver or the proxy must be delivered to the Secretary of the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

4.6 Quorum. Unless otherwise provided herein, or in the Declaration, the presence of Members representing one-half (1/2) of the total Eligible Voters of the Association, in person or by proxy, shall constitute a quorum for the transaction of business. Any absent member who does not execute and return a proxy form which was mailed, emailed, faxed 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. The Members present at a duly called or held meeting at which a quorum of one-half (1/2) of the total Eligible Voters of the Association is present may continue to do business (vote) until adjournment unless there is a withdrawal from the meeting of enough Members to leave less than the required number for the quorum. However, that meeting can continue, including voting, provided that twenty percent (20%) of the total Eligible Voters of the Association remain present in person and/or by proxy, and provided further that any action taken shall be approved by the majority of the Eligible Voters remaining which constitute such a quorum. If the required quorum is not present, less than 20% of the Eligible Voters remain, then another meeting may be called, not less than ten (10) nor more than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and eligible to vote. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 4.6. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 4.5.

4.7 Ballots and Representative Voting.

(a) **Written Ballots.** Any vote of Members on a matter that would be cast at an annual, monthly or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be

voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall

- (1) indicate the record date for the Voting Members eligibility to vote;
- (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement;
- (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and
- (4) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

(b) Proxies. Each Eligible Voter may vote in person or by proxy at all meetings where voting will be conducted and for elections of Officers and Board Members. All Members must use proxy forms that have been approved by the Association and all proxies must be received by the Secretary no later than (48) hours prior to the beginning of any meeting where voting will be conducted. If a Member using a Proxy becomes ineligible then his proxy may be neither voted nor counted in any vote. Every proxy appointment shall automatically cease upon conveyance by the Member of their Lot or upon receipt of written notice by the Secretary of the death or judicially declared incompetence of a Member prior to the counting of the vote, upon revocation of the appointment of the proxy by written notice to the Secretary prior to the vote, or upon the expiration of eleven (11) months from the date of the proxy. Unless the proxy appointment form states otherwise, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. Any proxy appointment form distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon set forth in the notice of the meeting. The appointment shall provide that, where the Member specifies a choice, the vote shall be cast by the proxy in accordance with that choice. The form shall also identify the person or persons acting as the proxy and the length of time it will be valid. The Member's signed proxy appointment form shall be delivered to the Secretary by hand delivery, by U.S. mail, and by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other

technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

4.8 Membership and Voting. The Association shall have one (1) class of voting membership as stated in the Second Amended Declaration, attached hereto as Exhibit C or these Bylaws, and any action by the Association which must have the approval of the Members before being undertaken shall require voting approval by a majority of the votes cast by Members at which the required quorum is present.

4.9 Eligibility to Vote. Voting rights attributable to Lots shall not vest until the Association has levied Assessments against those Lots. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lot and not subject to any suspension of voting privileges as a result of disciplinary proceeding conducted in accordance with the Declaration. A Member's good standing shall be determined as of the record date established in accordance with Section 4.10. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing.

4.10 Record Dates.

(a) Record Dates Established by the Board. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date. The record dates established by the Board pursuant to this Section shall be as follows:

(1) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than ninety (90) not less than ten (10) days before the date of the meeting;

(2) Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(3) Record Date for Action by Written Ballot Without Meeting. In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(4) Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

(5) “Record Date” Means as of the Close of Business. For purposes of this subparagraph (a), a person holding a membership as of the close of business on the record date shall be deemed the Member of record.

(b) Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the record date shall be thirty (30) days prior to the date of such meeting or other action.

4.10 Action Without Meeting. Any action that may be taken at any annual or special meeting of Members (except the election of Directors) may be taken without a meeting. Any form of written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the written ballot. The written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice.

4.11 Conduct of Meetings. Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. At the first meeting, the rules shall be Robert’s Rules of Order. Notwithstanding any other provision of law, notice of meetings of the Members shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members of the Association shall have access to Association records at a reasonable time at the offices of the Association, with all costs of such inspection borne by the Member conducting the inspection. Any Member of the Association may attend meetings of the Board, except when the Board adjourns to executive session to consider litigation, matters that relate to the formulation of contracts with third parties, or personnel matters. Any matter discussed in executive session shall be generally noted in the minutes of the Board. In any matter relating to the discipline of an Association Member, the Board shall meet in executive session if requested by that Member, and the Member shall be entitled to attend the executive session.

4.12 Voting. Each Owner shall have a single vote for each Lot held in the Subdivision, except as otherwise provided herein and except that no Owner may vote at any meeting of the Association or be elected to serve as an officer of the Association if payment of such Owner’s assessment on their Lot is delinquent more than fifteen (15) days. If a Lot is owned by more than one person, the person entitled to cast the vote for the Lot shall be one of the record owners designated by a certificate signed by all of the record owners of the Lot and filed with the Secretary of the Association, and said person shall be designated as the Voting Member with Secretary of the Association. If a Lot is owned by a corporation, limited liability company or similar entity, the person entitled to cast the vote for the Lot shall be designated by a certificate of appointment signed by the president or vice president or manager and attested to by the appropriate officer of the entity that owns the Lot and filed with the Secretary of the Association, and said person shall be designated as the Voting Member with the Secretary of the Association. If a Lot is owned by a general partnership or limited partnership, the person entitled to cast the vote for the Lot shall be designated by a

certificate of appointment signed by all partners in the case of a general partnership and all general partners in the case of a limited partnership and filed with the Secretary of the Association, and said person shall be designated as the Voting Member with the Secretary of the Association. Such certificates shall be valid until revoked, until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned. A certificate designating the person entitled to cast the vote of a limited liability company or partnership ownership of a Lot, the vote appurtenant thereto shall not be exercised until the certificate of appointment designating the person entitled to cast the vote for the Lot has been filed with the Secretary of the Association. If such certificate is not on file, the vote of such Owner(s) shall not be considered in determining the requirement for a quorum nor for any other purpose.

4.13 The order of business at annual members' meetings and as far as practical at all other members' meetings, shall be:

- (a) Calling of the roll and certifying of proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and disposal of any unapproved minutes;
- (d) Reports of officers, if any;
- (e) Reports of committees, if any
- (f) Election of inspectors of election, if any;
- (g) Election of Directors;
- (h) Unfinished business;
- (i) New business which shall include adoption of a budget for the fiscal year; and
- (j) Adjournment.

ARTICLE V

BOARD OF DIRECTORS, SELECTION AND TERM OF OFFICE

5.1 Classes and Number. The Board of Directors, all directors of which must be Members of the Association shall manage the affairs of the Association. The minimum number of Board Directors for the Association shall be four and the maximum number of Board of Directors for the Association shall be seven. The Board of Directors shall consist of the Officers and three Members from the Association.

5.2. Transition Period Board of Directors: The appointed Board of Directors during the Transition Period shall be: Connie Hall, Marc Bernard, Nancy Breedlove, Eddie Keneipp, Keith Martin, Rebecca Estes, and Malindah Kennedy. The Term of Office for the following Board of Directors shall expire at the end of the Transition Period: Connie Hall, Marc Bernard, Nancy Breedlove, and Eddie Keneipp. The Term of Office for the following Board of Directors shall expire two years after the recording of these ByLaws: Keith Martin, Rebecca Estes, and Malindah Kennedy. Upon the Board Directors' identified herein, term's of office expiring, they may, if qualified Members, seek re-election to the Board pursuant to Section 5.3 of this Article.

5.3 Term of Office. The Term of Office for Directors who are concurrently Officers of the Association shall be 1 year, which is the same as their term of office as an Officer of the Association. A Director, who is an Officer of the Association shall assume their office as a Director and vacate their office as a Director on the same date as their office as an Officer of the Association begins and ends. Directors, who are not Officers of the Association, shall serve a 2-year term of office

All qualified Members and outgoing Board members may seek election to the Board at anytime. The election of Directors, who are not Officers, shall be by plurality, the number of nominees equal to the number of vacancies to be filled receiving the greatest number of votes being elected. Ties will be determined by a single coin toss. Unless vacated sooner, each Director shall hold office until the Director's term expires and a successor is elected.

5.4 Removal Vacancies. A Director may be removed from office, with or without cause, at a special meeting of the Members by sixty-seven percent (67%) of the Eligible Voters in person or by proxy at a meeting properly called for that purpose and a quorum is present. A successor to any removed Director may be elected not less than thirty (30) days after the Director has been removed and the Association has been notified of the opening. A Director whose removal is proposed to be voted upon at any meeting shall be given notice of the proposed removal not less than thirty (30) days prior to the date of the meeting and shall be given an opportunity to be heard at the meeting. In the event of death or resignation of a Director, the vacancy shall be filled by majority vote of the Members at a duly held meeting. A successor Director shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

5.5 Officers and Duties Within the Board of Directors. Each time there are three or more new members of the Board, there will be an internal election of the Board to choose a Chairman of the Board, a Vice Chairman and a Secretary. The Chairman will lead all meetings of the Board. The Vice Chairman will fill the Chairman's position in their absence and assume any duties assigned by the Chairman. The Secretary will provide written records of all Board meetings and minutes.

ARTICLE VI **BOARD OF DIRECTORS POWERS AND DUTIES**

6.1 Powers. The Board of Directors shall have power to:

- (a) **Maintenance.** Perform the maintenance described in the Declaration;
- (b) **Insurance.** Maintain insurance in accordance with Declaration and Article VIII, Section 8.1 of the First Amendment to the Declaration attached hereto as Exhibits A and B.

(c) Discharge of Liens. Discharge by payment, if necessary, any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the existence of the lien;

(d) Assessments. Fix, levy, collect and enforce Assessments as set forth in the Declaration. Assessments for expenses and reserves related solely to maintenance, repairs and renovation to the Common Areas shall be assessed equally among the Lot Owners. Assessments relating to insurance expenses for the Association shall be allocated to all the Lot Owners equally as well.

(e) Expenses and Obligations. Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(f) Records. Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Members at the annual meeting of the Members, and at any special meeting when such statement is requested in writing by one-fourth (1/4) of all Voting Members; keep adequate and correct books and records of account, minutes of proceedings of its Members, Board and committees, and a record of its Members giving their names and addresses and classes of membership;

(g) Supervision. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(h) Review of Financial Records. Review on at least a quarterly basis a current reconciliation of the Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, and an income and expense statement for the Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Association's Board has identified for use to defray the future repair or replacement of, or additions to, these major components that the Association is obligated to maintain.

(i) Reserve Account Withdrawal Restrictions. Require that at least two (2) signatures are needed for the withdrawal of monies for the Association's reserve accounts, at least one (1) of which shall be that of a member of the Board. One (1) signature may be that of the Association's manager or such manager's designee.

(j) Reserve Account Fund Management. The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

(k) Working Capital Fund. Require that at least two (2) signatures are needed for the withdrawal of monies for the Association's Working Capital Fund, at least one (1) of

which shall be that of a member of the Board. One (1) signature may be that of the Association's manager or such manager's designee.

(l) Working Capital Fund Management. The Board shall maintain the Working Capital Fund 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.

(m) Reserve Studies. At least every five (5) years the Board shall cause an independent analysis of the reserve component of the operating budget to be conducted to confirm that component replacement costs and useful lives are accurately reflected in the reserve allocation.

(n) Manager. Employ a manager as provided in the Declarations and these Bylaws;

(o) Adoption of Rules. Adopt rules in accordance with the Declaration and these Bylaws;

(p) Enforcement (Notice and Hearing). Enforce these Bylaws and/or the Declaration, provided that at least fifteen (15) days prior notice of any charges (other than Assessment) or potential discipline or fine and the reasons therefore are given to the Member affected, and that an opportunity is provided for the Member to be heard, orally or in writing not less than five (5) days before the effective date of the discipline or fine, said hearing to be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the Member as shown on the Association's records.

(q) Contracts. Contract for goods and/or services in accordance with the Declaration and these Bylaws.

(r) Delegation. Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate the authority to procure insurance, make capital expenditures for additions or improvements chargeable against the reserve funds. The Board will conduct all hearings concerning compliance by an Owner or his tenant, lessee, guest or invitee with the Declaration or rules and regulation promulgated by the Board, and will make all decisions to levy monetary fines, impose special Assessments against individual Lots, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing. The Board will make all decisions to levy Annual or Special Assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. Any delegation of the Board can be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

(s) Borrow. Borrow money

- (1) for the purpose of improving the Regime, or any portion thereof,
- (2) for constructing, repairing, maintaining or improving any facilities located or to be located within the Regime,
- (3) for providing services authorized herein, and,
- (4) to give as security for the payment of any such loan a mortgage or other security instrument conveying all or any portion of the Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Association will be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of , any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

(t) Other Powers. In addition to any other power contained herein or in the Declaration, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in the Nonprofit Corporation Act.

6.2 Prohibited Acts. The Board shall not take any actions prohibited of it under the Declaration except with the vote and written consent of a Majority of the Members.

6.3 Regular Meetings. The Board may hold regular meetings at such time and place as shall be determined from time to time, by a majority of the Board, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary of the Board, or other designated person, to each member of the Board, either personally or by mail or email, telephone or by fax, at least five (5) days prior to the day named for such meeting.

6.4 Special Meetings. Special Meetings of the Board of Directors may be called by any Director on five (5) days' notice to each member of the Board of Directors, given personally or by mail or email, by telephone or by fax, which notice shall state the time, place and purpose of the meeting.

6.5 Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all of the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

6.6 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may

adjourn the meeting. At any such adjourned meeting at which a quorum is present, any business might have been transacted at the meeting originally called may be transacted without further notice.

6.7 Compensation. Director's fees, if any, shall be determined by the members of the Association.

6.8 Fidelity Bonds. Shall be required pursuant to Section 8.3 of the Declaration, attached hereto as **Exhibit A**.

6.9 Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Lot Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Lot Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of the contracts made by the Board of Directors on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Lot Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as their interest in the common areas bears to the interest of all Lot Owners in the common areas. Every agreement made by the Board of Directors, or by the managing agent, or by the manager on behalf of the Association, shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agents for the Lot Owners and shall have no personal liability thereunder (except as Lot Owners), and that each Lot Owner's liability thereunder is as his interest in the common areas bears to the interest of all Lot Owners in the common areas.

ARTICLE VII **OFFICERS**

7.1 Officers. The Association shall be managed by executive officers consisting of a President, a Vice President, a Secretary and a Treasurer. The initial officers shall be: President: Connie Hall, Vice President: Marc Bernard, Treasurer: Nancy Breedlove, and Secretary: Eddie Keneipp, and shall hold office until the first special meeting of the Association which shall be held at the end of the Transition Period.

7.2 Officer Qualifications. All officers of the Association must be Lot Owners of at least one (1) Lot within the Subdivision and whose name is recorded as the owner of such Lot on the current deed held by the RMC's office in Charleston County. Each officer must be in good standing with the Association and current in payment of all fees, assessments, and common expenses. Any officer who is delinquent in the payment of any common expenses or assessments shall automatically cease to be an officer.

7.3 Election of Officers shall be conducted in the following manner:

- (a) The first election of officers shall be held at a special meeting within 180 days of the recording of this instrument at the RMC's office for Charleston County. Hereafter, Officers shall be elected for a term of one year, and shall be elected at the regular annual meeting of the Association. Only Eligible Voters shall elect Officers. Ties will be determined by a single coin toss. Officers shall serve until their successors are elected and qualified.
- (b) Except as to vacancies provided by removal of an officer by members, vacancies occurring between annual meetings of members shall be filled at a special meeting of the Association.
- (c) Any officer may be removed from office, with or without cause, at a special meeting of the Members by sixty-seven percent (67%) of the Eligible Voters in person or by proxy at a meeting called for that purpose at which a quorum is present. A successor to any removed Officer may be elected not less than thirty (30) days after the Officer has been removed and the Association has been notified of the opening. An Officer whose removal is proposed to be voted upon at any meeting shall be given notice of the proposed removal not less than thirty (30) days prior to the date of the meeting and shall be given an opportunity to be heard at the meeting. In the event of death or resignation of an Officer, the vacancy shall be filled by majority vote of the Members at the next duly held meeting. A successor Officer shall serve for the unexpired term of his or her predecessor.

7.4 **The organizational meeting of newly elected officers** shall be held within thirty (30) days of their appointment at such place and time as shall be determined by the President.

7.5 **Regular meetings of the officers** may be held at such time and place as shall be determined, from time to time, by a majority of the officers. Notice of regular meetings shall be given to each officer personally or by mail, telephone, e-mail or fax, at least thirty (30) days prior to the day named for such meeting.

7.6 **Special meetings of the officers** may be called by the President and must be called by the Secretary at the written request of a majority of the officers. Not less than thirty (30) days notice of the meeting shall be given personally or by mail, telephone or fax, which notice shall state the time, place and purpose of the meeting.

7.7 **Waiver of Notice.** Any officer may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. The attendance of an officer at any meeting shall constitute a waiver of notice for such meeting unless the attendance of such meeting is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7.8 **A quorum at officer's meetings** shall consist of a majority of the officers. The acts approved by a majority of the officers at which a quorum is present shall constitute the acts of the officers, except where approval by a greater number of officers is required by the Declaration, these Bylaws or the Act.

7.9 **Adjourned Meetings.** If at any meeting of the officers there is less than a quorum present, a majority of those present may adjourn the meeting from time to time

until a quorum is present. At any adjourned meeting, any business which might have been transacted at a meeting as originally called, may be transacted without further notice.

7.10 Joinder in Meeting by Approval of Minutes. The joinder of an officer in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such officer for the purpose of determining a quorum.

7.11 Action in Lieu of a Meeting. Any action by the officers required or permitted to be taken at any meeting may be taken without a meeting if all of the officers shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the officers.

7.12 The Presiding Officer of the Officers' Meetings shall be the President. In the absence of the President, the Vice President shall preside over the meeting.

7.13 Powers and Duties of the Officers. All of the powers and duties of The South Carolina Nonprofit Corporation Act, the Declaration and these Bylaws shall be exercised exclusively by the officers, its agents, contractors or employees, subject only to approval by the Owners when such is specifically required by law or the Declaration. The officers shall have the power from time to time to adopt any rules and regulations deemed necessary for the benefit and enjoyment of the Subdivision; provided, however, that such rules and regulations shall not be in conflict with the Act or the Declaration. The officers may delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the officers on such matters which may arise between meetings of the officers, as the officers deem appropriate. In addition to the duties imposed by these Bylaws, the Declaration, the Act, or by any resolution of the Association that may hereafter be adopted, the officers shall on behalf of the Association:

- (1) Annually on or before December 1, of each year, prepare a proposed budget for the upcoming fiscal year to include such sums as it deems necessary and adequate to provide for the Common Expenses and other related expenses of the Subdivision including, but not limited to, reserves established from time to time.
- (2) Make assessments against Owners to defray the costs and expenses of the Subdivision, establish the means and methods of collecting such assessments from the Owners, and establish the period of the installment payment of the annual assessment for Common Expenses.
- (3) Provide for the operation, care, upkeep, and maintenance of all the Property and services of the Subdivision except the portions thereof which are the responsibility of individual Owners.
- (4) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Subdivision Property.
- (5) Collect the assessment against the Owners, deposit the proceeds thereof in bank depositories approved by the officers and use the proceeds to carry out the administration of the Association Property.

- (6) Make and amend the Rules and Regulations for the use of the Subdivision and all facilities and property thereof, subject to the terms of the Declaration.
- (7) Fix, impose, and remit penalties for violation of these Bylaws and Rules and Regulations of the Association.
- (8) Open bank accounts on behalf of the Association and designate the signatories thereon.
- (9) Make, or contract for the making of, repairs, additions, and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (10) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations, act on behalf of the Owners with respect to all matters arising out of any eminent domain proceedings against the Common Areas, notify all Members of any litigations against the Association involving a claim in excess of ten percent (10%) of the amount of the annual budget.
- (11) Obtain and carry insurance against casualties and liabilities, as provided in these Bylaws or Declaration, pay the premiums therefore and adjust and settle any claims thereunder.
- (12) Pay the cost of all authorized services rendered to the Association and not billed to Owners of individual Lots or otherwise provided for in these Bylaws.
- (13) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Subdivision, specifying the expenses of maintenance and repair of the Common Areas and any other expenses incurred. Such book and vouchers accrediting the entries therein shall be available for examination by the Owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner set and announced by the officers for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting principles.
- (14) Do such other things and acts not inconsistent with the Declaration, attached hereto as **Exhibits A, B, and C** which the officers may be authorized to do by a resolution of the Association.
- (15) The officers may employ for the Subdivision a "managing agent" at compensation to be established by the Association. The managing agent must be able to advise the officers regarding the administrative operation of the Subdivision and shall employ personnel knowledgeable in the necessary areas. The managing agent shall perform such duties and services, as the officers shall direct. The officers may delegate to the managing agent all of the powers granted to the officers by these Bylaws other than the powers which may not be delegated by the officers pursuant the Declaration, attached hereto as **Exhibit A, B, and C**. The managing agent shall perform the obligations, duties, and services relating to the management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

7.14 **The Executive officers of the Association** shall be President, a Vice President, a Secretary, a Treasurer, and at the option of the officers, an Assistant Secretary and/or Assistant Treasurer, all of whom shall be elected annually by the members at the annual meeting of the Association. Any person may hold two or more offices except that the President shall not also be the Secretary-Treasurer or assistant. The Association may, from time to time, select such other officers and designate their powers and duties, as it shall deem necessary to manage the affairs of the Association. Each officer shall hold office until his successor shall be duly elected and qualified.

7.15 **The President** shall be the chief executive officer of the Association. They shall preside at all meetings of the Association and shall have all of the powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members from time to time, as the President may in his or her discretion determine appropriate to assist in the conduct of the affairs of the Association. The President or their written designee shall serve as Insurance Trustee for the Association.

7.16 **The Vice President** shall, in the absence of the President or in the event of their death, inability or refusal act, perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or the Association.

7.17 **The Secretary** shall record the minutes of all proceedings of the Association. The Secretary shall attend to the giving and serving of all notices to the members and other notices required by law. The Secretary shall have custody of the Seal of the Association and affix the same to instruments requiring a seal when duly signed. They shall keep the records of the Association or cause such to be prepared and kept, and shall perform all other duties incident to the office of secretary of an Association and as may be required by the President.

7.18 **The Treasurer** shall also keep the records of the Association or cause such to be prepared and kept, and shall perform all other duties incident to the office of Treasurer of an Association and as may be required by the President. Additionally, the Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. These duties may be delegated to a managing agent if the Board chooses to employ one. The Treasurer shall keep the books of the Association in accordance with good accounting practices; and he or she shall perform all other duties incident to the office of Treasurer.

7.19 **The compensation of all officers** and employees, if any, of the Association shall be determined by the Association. Any officer, or related business in which said officer has an interest, who contracts with the Association to provide labor, material or services shall not vote on any matter regarding such employment or contract.

ARTICLE VIII
MAINTENANCE, REPLACEMENT, UPKEEP AND REPAIRS

Responsibility for the maintenance, replacement, upkeep, and repairs of the Property of the Association are set forth in the Declaration and are further set forth herein:

8.1 Lots.

- (a) **By the Owner.** The responsibility of the Owner shall be as follows:
- (1) To maintain in good, clean and sanitary condition and to repair and replace at his/her expense all portions of the Owner's Lot other than those portions to be maintained, repaired and replaced by the Association. Such shall be done without disturbing the rights of other Owners. Nothing contained in this paragraph shall negate the obligation of any insurer to provide coverage for any insured loss as specified by Article XI of these Bylaws.
 - (2) To perform normal cleaning and maintenance of all items and fixtures within the Owner's Lot. Where there is a light fixture or fixtures attached to the exterior wall or walls of the Lot, the Owner thereof shall be fully responsible for the same.
 - (3) Not to make or cause to be made a structural addition or alteration to its Lot without obtaining prior approval of the Association or applicable agencies thereof or other governmental entities having jurisdiction over such matters. Alterations to the exterior of any Lot may only be made in accordance with the terms of these Bylaws, the Declaration, and its Exhibits.
 - (4) To allow the Association or its representative, agent or employee to enter into a Lot at reasonable times and reasonable notice to the Owner and any applicable tenant for the purpose of maintenance, inspection, repair or replacement or improvement within the Lot and/or Common Areas; to determine in the case of emergency, circumstances threatening the Lot and/or Common Areas; or to determine compliance with the provisions of the Declaration, these Bylaws or the Rules and Regulations of the Association as they may be adopted.
 - (5) To promptly report to the Association any defect or need for repairs, the responsibility of which is that of the Association.
 - (6) To be responsible for all damage to any other Lot or to the Common Areas resulting from his/her failure or negligence to perform any obligation required herein.
 - (7) To be responsible for fines imposed against a Lot whether the result of Owner's failure to comply or Owner's guests, employees, agents, lessees, licensees, or invitees failure to comply with the Rules and Regulation of the Association or The Park at Rivers' Edge's Rules and Regulation.
 - (8) To provide the Association contact information for each Owner to include an official mailing address, an official phone number, and an emergency contact phone number. Each owner will provide the Association, if available, an email address and/or a fax number for official email and/or faxes.

- (9) To provide the Association within 30 days the name and term of any lease, boarding, or rental agreement and copy thereof, if existing, of any Occupant of that Owner's Lot.
- (10) To abide by Section 9.27 of the Declaration, attached hereto as **Exhibit A**.

8.2 Common Areas.

The maintenance, repair, replacement, upkeep, and operation of the Common Areas shall be the responsibility of the Association as a reasonable Common Expense shared equally among all Lot Owners,

Notwithstanding, that in case of emergency and in order to preserve the Property or for the safety of the occupants, a Owner may assume the responsibility therefore, and he/she shall be relieved of liability for such acts performed in good faith and reimbursed for his/her expense by the Association when approved by the Association.

The Association shall have the power to determine the use to be made of the Common Areas from time to time, provided that no such use shall discriminate against an Owner or otherwise contradict the provisions of the Declaration.

ARTICLE IX FISCAL MANAGEMENT

The making and collection of assessments against Owners for Common Expenses shall be pursuant to the following provisions:

9.1 Assessments. Except as specifically set forth herein, the Association shall assess each Owner an equal amount for the Common Expenses of the community, including but not limited to the road or sidewalk repairs, utilities, services, and Common Area maintenance bills. Also, the cost for insurance required to be maintained by the Association including liability, hazard, (fire, wind and hail), earthquake and flood insurance (if in any special flood hazard zone), will be equally shared by each Owner. Said assessment shall be made and collected in the manner hereinafter provided.

9.2 Accounts. The funds and expenditures of the Association shall be credited and charged according to good accounting practices to accounts under the following classifications or combinations thereof, as shall be appropriate:

- (a) Current Expenses for the Association shall be Common Expenses and shall include all funds and expenditures to be made within the year for which the funds are budgeted for the Association and the Common Areas, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in this fund at the end of each year may be applied to reduce the assessments for Current Expenses for the succeeding year.
- (b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually, and the amount of which

reserve if any, may be determined by the Board of Directors. Any funds held in this account shall be held by the Association in a fiduciary capacity for the benefit of the Owners for such purpose.

- (c) Reserve for additional improvements, which shall include the funds to be used for capital expenditures for additional improvements, which will be part of the assets of the Association. If capital funds and expenditures are for alterations or further improvements to Owner homes/Lots, then the cost shall be charged to the Owners of Lots.
- (d) Working Capital Fund, which shall include the funds for the use and benefit of the Association by the Board and shall be used to meet unforeseen expenditures, to act as an emergency reserve for common expenses or to acquire furniture, equipment or services deemed necessary or desirable by the Board of Directors.

9.3 Budget. The Association shall adopt a budget for each fiscal year, which shall include funds for expenses of that year and reserves according to good accounting practices as follows:

- (a) Current expenses;
- (b) Reserve for replacement/repair of any Common Area property reasonably expected to require a replacement from time to time and deferred maintenance of any Building or structures located on Common Areas, if any, the amount of which shall not exceed 110% of the budget for this account for the prior year, after the first year such reserve is established;

Provided, however, that the amount budgeted for current expenses, reserve for deferred maintenance and reserve for replacement may be increased over the foregoing limitations when approved by a majority of the Owners.

Copies of the budget and proposed assessment shall be transmitted to each Owner on or before the annual members' meeting during the year for which the budget is made. The proposed budget as it may be amended by motion of an Owner, shall be submitted to a vote of the Owners at the annual meeting and when approved by a Majority of Members, and shall become the budget of the Association for the fiscal year.

The Board retains the right to increase the monthly regime fee by ten percent (10%) for the next year's budget without a Majority of Members. Any increase greater than ten percent (10%) must be approved by a Majority of Members.

9.4 Assessment Procedure.

- (a) Annually; Due Dates. Assessments against the Owners for their share of the items of the budget shall be made for each year. Such assessments shall be payable in monthly installments on the first day of each month. The Association shall have the authority to adjust the payment dates of the assessments as it shall deem appropriate and may elect, upon prior written notice to the Owners, to change from monthly to quarterly or up front yearly payments upon the approval by a majority vote of the Owners. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the annual assessment proves to be

insufficient, the budget and assessments therefore may be amended at any time by the Association.

- (b) Assessments for Emergencies. Assessments for emergency Common Expenses which cannot be paid from the annual assessments for Common Expenses shall be made and voted upon accordance to Section 6.3 Special Assessments and 6.4 Notice of and Quorum for Any Action Authorized Under Section 6.3 of the Declaration, attached hereto as **Exhibit A** and shall be due after thirty (30) days notice thereof in such manner as the Association shall require.
- (c) Initial Assessments. Subject to the provisions set forth herein, the Association will collect from each initial Owner of each Lot at the time of closing the pro-rata share of that months' assessment for such Lot, and a capital contribution equal to three (3) times the monthly regime fee assessed by the Association against each Lot. The funds are to provide the necessary working capital for the Association. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other startup costs, and for such other purposes as the Association may determine. All owners must show proof that the initial three (3) month assessment for the Working Capital fund was made at their closing or this fee will assessed against the Lot Owner. All recorders held by the Association will be checked, but the burden of proof is with the current owner. In the case of multiple historic owners, if the Working Fund was never paid, then it will be assessed against the current owner.
- (d) Transfer Fee. Upon the transfer of title to a Lot in the Subdivision, a transfer fee of two (2) times the monthly regime fee for the transferred Lot shall be payable to the Association by either the seller or purchaser of a Lot to help defray Association administration expenses associated with such transfer.

9.5 Collection of Assessments.

- (a) Interest; Application of Payments. Assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid ten (10) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, from the date when due until paid. All payments upon account shall be first applied to interest and any costs of collection and then to the assessment payment first due.
- (b) Notice of Delinquency to Mortgagee and/or Guarantors. The Mortgagee and Guarantor shall receive notice of any 60 day delinquency in payments of assessments or charges owed by the Owner of any Lot on which a Mortgagee holds a mortgagee
- (c) Lien. All assessments against any Owner shall constitute a lien against the Owner's Lot in favor of the Association, as provided by the Act, which lien shall become effective when a notice claiming such lien has been duly recorded by the Association in the appropriate Charleston County office. Such claim of lien shall state the description of the Lot, the name of the record owner, the amount due and the date when due. Such claim of lien shall be signed and verified by an officer or agent of the Association prior to its being recorded; and no such claim of lien shall be made by the Association unless the assessment, charge or

expense, giving rise to the lien, remains unpaid for more than ten (10) days after same becomes due. Any such lien may be foreclosed by the Association in the manner provided by law for the foreclosure of real estate mortgages. The lien shall secure the payment of all assessments as described in said claim of lien and, in addition thereof, shall secure the payment of subsequent assessments which come due after the filing of the claim of lien and prior to the satisfaction of such lien by foreclosure or otherwise, including interest thereon at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, together with all costs and reasonable attorneys' fees incurred by the Association incident to the collection of such assessments or the enforcement of such lien. The right of the Association to foreclose a lien as aforesaid shall be in addition to any other remedy, at law or in equity, which may be available to it for the collection of the annual assessment and expenses related to the collection thereof, including any right granted to the Association by the Act and the right to proceed personally against any delinquent owner for the recovery of a judgment "in personam". Any personal judgment against any such delinquent Owner may include all unpaid subsequent assessments which come due after the institution of such suit and prior to such Order of Judgment, including interest thereon at the highest rate permitted by law, together with all costs and reasonable attorneys' fees incurred by the Association incident to the collection of such assessments.

- (d) Rental Pending Foreclosure. In any foreclosure of a lien for assessments, the Association shall, pending foreclosure, be entitled to the appointment of a receiver who shall collect a reasonable rental for the use of the Lot subject to the lien, which rental shall be applied to the obligations of the Owner.

ARTICLE X CONDEMNATION

10.1 Partial Taking of Common Areas. If part of the Common Areas shall be taken or condemned by any authority having the power of eminent domain, such that no Owner's Lot nor any part thereof is taken, then all compensation and damages for and on account of the taking of the Common Area, exclusive of compensation for consequential damages to certain affected Lots, shall be payable to the Association. Nothing herein is to prevent Lot Owners whose Lots are specifically affected by the taking or condemnation proceedings from joining in such proceeding and petition on their own behalf for consequential damages relating to loss of value of the affected Lots, or personal improvements therein, exclusive of damages relating to Common Areas. In the event that the condemnation award does not allocate consequential damages to specific Lot Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between the affected Lot Owners, subject to the rights of Mortgagees of such Lots. If any future building or improvements located on Common Areas are taken to the extent that the Lot(s) and/or other improvements affected cannot be reconstructed or restored substantially in accordance with the Building Plans, the Members of the Association shall be polled in writing, in person or via United States Mail as to whether the affected property be reconstructed, restored, or removed.

10.2 Partial or Total Taking of Owner's Lot. If part or all of any Owner's Lot shall be taken or condemned by an authority having the power of eminent domain, such that any Lot or part thereof is taken, the Association shall act on their own behalf with respect to the consequential damages relating to loss of value of the affected Common Areas, without limitation on the right of any Owner of any one or more Lots to represent their own interests, and the proceeds shall be payable as follows. The Lot Owners directly affected by such taking and their respective mortgage companies shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. Any awards to the Owners shall be subject to the prior rights of the mortgage companies, and the remainder will pass to the Owners, minus any assessments that are due to the Association. In the event that the condemnation award does not allocate consequential damages to specific Lot Owners or the Association, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided in proportion between the affected Lot Owners and the Association, subject to the rights of Mortgagees of such Lots.

ARTICLE XI **INSURANCE**

This section shall be the same as that of **Article VIII** of the First Amendment to the Declaration, attached hereto as **Exhibit B**, as if restated verbatim herein. Additionally, in accordance with **Article VIII** of the First Amendment to the Declaration, attached hereto as **Exhibit B**, the Association shall obtain Director and Officer liability insurance for the its duly elected Directors and Officers.

INSURANCE SHALL BE LIABILITY AND HAZARD COVERAGE COVERING THE IMPROVEMENTS AND ACTIVITIES ON THE OPEN SPACES AND COMMON AREAS AND COMMON PROPERTIES NO COVERAGE SHALL BE AFFORDED INDIVIDUAL LOTS OR THE IMPROVEMENTS THEREON ALL INSURANCE POLICIES UPON THE PROPERTIES SHALL BE PURCHASED BY THE ASSOCIATION FOR THE BENEFIT OF THE ASSOCIATION.

ARTICLE XII **RECONSTRUCTION OR REPAIR AFTER CASUALTY**

12.1 Reconstruction. In the event of fire or other disaster or casualty resulting in damage to the Common Areas or any future improvements located within the Common Areas, and the Board of Directors approves the reconstruction or repair, the Association will first pursue all insurance claims for recovery and if insufficient funds are paid, then the Association can pull from the Reserve Account to finish reconstruction or repairs. In the event of fire or other disaster or casualty resulting in damage to an Owner's Lot then the Owner will file a claim with their own insurance company and begin reconstruction or repairs as soon as possible. If requested by the Association, the Owner shall give all information regarding insurance company contacts, status of work and estimated completion date to the President so that the Association can monitor progress.

12.2 **Estimates.** Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in condition as good as that before the casualty.

12.3 **Repair Specifications.** Any reconstruction or repair must be substantially in accordance with the plans and specifications referenced in the Declaration in matching the previous floor plan and exterior decor or in accordance to such other plans and specifications approved by the Association.

ARTICLE XIII **MORTGAGES**

13.1 **Notice to the Association.** An Owner who mortgages his Lot shall notify the Secretary of the Association or the Association's Managing Agent, if any, of the name, address, and telephone number of his mortgage company. The Owner will notify the Association if any of this information changes within ten (10) days of the change.

ARTICLE XIV **NON-LIABILITY AND INDEMNITY OF OFFICERS**

14.1 **Non-Liability.** No officer of the Association shall be liable for acts, defaults, or neglects of any other officer or member or for any loss sustained by the Association or any Owner, unless the same shall have resulted from the officer's grossly negligent act or omission.

14.2 **Indemnity.** Every officer and agent of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including reasonable counsel fees) actually and necessarily incurred by or imposed upon such officers in connection with or resulting from any claim, action, suit, procedure, investigation, or inquiry as to whatever nature in which he or she may be involved as a party or otherwise by reason of being or having been an officer or agent of the Association whether or not he or she continues to be such officer or agent at the time of incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he or she shall be finally adjudged in such action, suit, proceeding, investigation, or inquiry to be liable for willful misconduct or gross neglect in the performance of duties. The foregoing right of indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law, and such shall inure to the benefit of the legal representative of such person.

ARTICLE XIV **ALTERATIONS AND MODIFICATIONS**

15.1 **Prohibitions.** Neither the Association nor any Owner shall make any structural modifications or alterations to his/her Lot or make any additions thereto which

would jeopardize the safety or soundness of such Lot, or adversely affect any of the Common Areas, or impair any easement, unless otherwise permitted by the Architectural Control Committee. Any modification improvements or alternations must conform to **Article IX** of the Declaration, attached hereto as **Exhibit A**.

15.2 Consent / Common Areas. There shall be no alterations or further improvements of the Common Areas by the Association or any Owner without prior approval of a Majority of Members of the entire Community. Any such alteration or improvement shall not interfere with the rights of any Owners without their consent.

ARTICLE XVI FAILURE TO COMPLY WITH RULES OF THE COMMUNITY

16.1 Compliance. Each Owner, tenant and occupant of a Lot shall be governed by and shall comply with the terms of the Declaration, these Bylaws, any Rules and Regulations adopted thereunder and said documents as they may be amended from time to time. Failure to comply therewith shall entitle the Association and/or other Owners to relief including but not limited to an action to recover sums due for damages or injunctive relief, or both, which actions may be maintained by the Association, or in a proper case by an aggrieved Owner.

16.2 Liability. An Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by the act, neglect or carelessness of the Owner or by that of the Owner's guests, employees, agents, lessees, licensees, or invitees, but only to the extent that such expense is not paid from the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Lot or its appurtenances, or of the Common Areas.

16.3 Attorneys' Fees. In any proceeding arising because of an alleged default by an Owner under any provisions of the Declaration or these Bylaws, or any Rules and Regulations adopted by the Association, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys fees as may be awarded by the Court.

16.4 Failure to Act. The failure of the Association or any person to enforce any covenant, restriction or other provision contained in the Act, the Declaration, these Bylaws, and/or the Rules and Regulations adopted pursuant hereto and said documents as they may be amended from time to time, shall not constitute a waiver of the right to do so thereafter.

ARTICLE XVII AMENDMENTS

These Bylaws may be amended in the following manner:

17.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

17.2 Resolution. A resolution for the adoption of the proposed amendment shall be presented to a meeting of the Association except as specifically provided for or limited herein. Except as provided in **Article XVII** of these Bylaws such approval shall be by

a Majority of the Eligible Voters of the Subdivision, unless unanimous approval is required by the Declaration or Bylaws

17.3 Proviso. Provided, however, that no amendment shall discriminate against any Owner nor against any Lot class or group of Lots unless the Owners so affected shall consent, which consent shall not be unreasonably withheld. No amendment shall be made which is in conflict with the Act, the Charter of the Association, the Declaration, or the provisions in these Bylaws for the protection of mortgagees.

17.4 Execution and Recording. A copy of each amendment along with a certificate certifying that the amendment was duly adopted shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the RMC Office for Charleston County, South Carolina.

ARTICLE XVIII
MISCELLANEOUS

18.1 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Articles (if any) and Bylaws of the Association, the Declaration establishing the community, or with the laws of the State of South Carolina.

18.2 Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by its Officers. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Association.

18.3 Controls. Any provisions stated herein that are inconsistent with the Declaration, attached hereto as Exhibits A, B and C, and any subsequent Amendments to the Declaration, the provision of the Declaration and its subsequent Amendments shall control, unless stated otherwise herein in these Bylaws and subsequent Amendments to these Bylaws.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed this 23rd day of MARCH, 2011

Michelle J. Bupon

Park at the Ashley, LLC

Witness

By: Josh J. Seppala, Authorized Agent and Officer

Michelle J Bryson
Witness

Beechwood Builders, LLC

[Signature]
By: Amos Seppala, Authorized Agent and Officer

[ACKNOWLEDGMENT -NOTARY PAGE ON FOLLOWING PAGE]

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

I hereby certify that **Josh J. Seppala**, the appointed Agent and Officer of **Park at the Ashley, LLC** did personally appear before me this the 23rd day of MARCH, 2011.

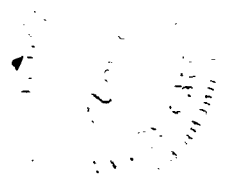
C Cliff Rollins
Notary Public for South Carolina
My Commission expires: 07/21/13

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

I hereby certify that **Amos Seppala**, the appointed Agent and Officer of **Beachwood Builders, LLC** did personally appear before me this the 23rd day of MARCH, 2011.

C Cliff Rollins
Notary Public for South Carolina
My Commission expires: 07/21/13



BOOK # S567PG038

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

**DECLARATION OF COVENANTS
AND RESTRICTIONS FOR
HIDDEN RIVER ON THE ASHLEY**

This Declaration of Covenants is made by **PARK AT THE ASHLEY, LLC** (herein "Owner") and **BEECHWOOD BUILDERS, INC.** (herein "Builder"). In this Declaration the Owner shall be referred to as "Declarant". The Owner and Builder own in fee simple **Lots 1-40, 50-60, 116-131 of the PARK AT THE ASHLEY**, inclusive as shown on a plat thereof entitled "FINAL PLAT LOTS 1-40, 50-60, 116-131 THE PARK AT RIVER'S EDGE (MULTI-FAMILY PHASE) CITY OF NORTH CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA FOR CTM III, LLC" and recorded in the RMC/ROD Office for Charleston County in **Plat Book EH, Pages 272 and 273**, and more particularly described in Exhibit "A" annexed to this Declaration.

WHEREAS, the subdivision is known as **HIDDEN RIVER ON THE ASHLEY**, and

WHEREAS, the Declarant and the Builder wish to accomplish the following objectives for its benefit and for the benefit of homeowners and lot owners of Property in Hidden River on the Ashley 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 Hidden River on the Ashley;
- (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, the Declarant has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in the community and to provide for the maintenance and upkeep of the exterior of all residential units and the Common Areas, to create an organization to which will be delegated and assigned the powers of (i) owning, maintaining and administering the Common Areas; (ii) maintaining the exterior of the residential units and all other improvements which are the responsibility of the Association; (iii) administering and enforcing the covenants, conditions, and restrictions herein; (iv) collecting and disbursing the assessments and charges hereinafter created; and (v) performing all other activities as required or permitted hereunder.

WHEREAS, Declarant has incorporated or will incorporate under the laws of the State of South Carolina, the Park at the Ashley Homeowners Association, Inc. a non-profit corporation for the purpose of exercising and performing the aforesaid functions

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 and Builder hereby declare that all of the Property known and designated as **Lots 1-40, 50-60, 116-131 of Phase I of the PARK AT RIVERS EDGE**, inclusive as shown on a plat thereof entitled ""FINAL PLAT LOTS 1-40, 50-60, 116-131 THE PARK AT RIVER'S

BK 5567 PG 039

5567 PG 039

EDGE (MULTI-FAMILY PHASE) CITY OF NORTH CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA FOR CTM III, LLC" and recorded in the RMC/ROD Office for Charleston County in Plat Book EH, Pages 272 and 273, 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 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 Hidden River on the Ashley 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 "B", 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. Common Area shall include, but not limited to, the (i) completed permanent detention or retention pond(s); and (ii) all private streets shown on said plats as now recorded or shall be hereinafter recorded in the RMC/ROD

BK 5567PG040

Office for Charleston County. The Common Area to be owned by the Association at the time of conveyance of the first Lot is more particularly shown on the plats(s) of the Properties to be recorded in the RMC/ROD Office for Charleston County

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 ROD Office for Charleston County, South Carolina.

Section 1.9. Declarant means **Park at the Ashley, LLC**, its successors and assigns. The Declarant shall have the right to assign any or all rights which it may possess as Declarant to the **Hidden River on the Ashley Homeowners Association, Inc.**, or any person or entity; provided, however, that the instrument or assignment shall expressly so provide.

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

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

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

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

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

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

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

BK 75 S567PG04 I

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

Section 1.18. Owner shall mean and refer to one or more persons or entities, including Declarant, who or which own(s) fee simple title to any Lot, including contract sellers but excluding those having such interest merely as security for the performance of an obligation. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner, and shall refer to the Declarant so long as Declarant retains its Class B membership whether or not Declarant owns any Lot.

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

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

Section 1.21. 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 1.22. 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/ROD Office for Charleston County, South Carolina.

Section 1.23. Builder shall mean and refer to Beechwood Builders, Inc., 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

BK 35567PG042

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 RMC/ROD Office 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; and (iv) levying, collecting and disbursing Assessments and charges herein created. 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 and wetlands to the extent allowed by law owned by Association within the Subdivision;
- (b) to set up and operate the Architectural Control Committee as provided herein;
- (c) to construct improvements on open spaces and Common Areas;
- (d) 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;
- (e) 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;
- (f) to provide directors and officers liability insurance for the Association and its duly elected Directors and Officers;
- (g) 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;
- (h) 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.
- (i) on behalf of each homeowner in Hidden Lake on the Ashley, to assume and pay the association dues and maintenance assessments to the Park Recreational Development, Inc for the Park at Rivers Edge dues, assessments and general maintenance fund.

OK 5567PG044

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, Park at the Ashley, LLC. The Class B members shall be entitled to fifty (50) votes for each Lot in which it holds the interest required for membership under Section 3.3 above and (as to the Additional Property) fifty (50) 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, 2010.

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

Section 3.5. Declarant and Class B Appointment of Board of Directors

Until the Class B Members are converted to Class A Members, Declarant is entitled to appoint all Board of Directors members, and the Association need not hold a meeting to elect directors until conversion of the Class B Members.

BK 567PG045

Section 3.6. 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/ROD 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. Parking Rights

Ownership of each Lots shall entitle the Owner or Owners thereof to the use of not more than two(2) automobile parking spaces, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in, to and upon said parking areas and spaces. The Association may assign vehicle parking spaces for each Lot. The two automobile parking spaces for Lots having garages shall be the garage and the appurtenant driveway.

Section 4.4. Extent of Owners' Easements.

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

BK 7F S567PG046

- (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 Association to mortgage, dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the Members. No such mortgage, dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members agreeing to such dedication or transfer has been recorded.
- (c) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said Properties shall be subordinate to the rights of the Owners hereunder;
- (d) 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;
- (e) 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;
- (f) The right of the Association to suspend the voting rights and right to use of the recreation facilities by and Owner:
1. during any period for which the Owner is delinquent in the payment of applicable assessments;
 2. for a period not to exceed (60) days for any infraction of its published rules and regulations; and
 3. during any period that an Owner is otherwise in default of the Owner's obligations under this Declaration, including, but not limited to, the obligation to comply with the architectural control provisions and protective covenants and restrictions contained herein.
- (g) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area:
- (h) The right of Owners to the exclusive use of parking spaces as provided in this Article.

- (i) The right of the Association to limit the number of guests of Member
- (j) The right of the Association to enter any Lot in order to perform any maintenance, alteration, or repair required herein to be performed by the Association, and the Owner of such Lot shall permit the Association or its representative to enter for such purpose at reasonable times and with reasonable advance notice.
- (k) The right of the Association or its representative to enter any Lot in the case of any emergency threatening such Lot or any other Lot for the purpose of abating the cause of such emergency. Such right of entry shall be immediate and shall not require prior notice
- (l) The right of the Association, by and through the Board of Directors, to establish rules and regulations for the Subdivision.

Section 4.5. 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 4.6. 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 4.7. Easements for Utilities.

There is hereby reserved for the benefit of Declarant, the Association and their respective successors and assigns the inalienable, transferable and perpetual right and easement, as well as the power to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person upon, over, under and across: (i) all of the Common Areas; (ii) an area fifteen (15') feet in width along the front boundary line of each Lot; (iii) an area five (5') feet in width along the side boundary line of each Lot and (iv) an area ten (10') feet in width along the rear boundary line of each Lot for the purpose of installing, replacing, repairing, maintaining and using master television antenna and/or cable systems, security and similar systems, and all utilities, including but not limited to storm sewers and drainage systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by the Declarant, its successors or assigns, or by the Board of Directors of the Association; provided, however, that for so long as 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

BK 11 S567PG048

and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems.

Section 4.8. Easements for Walks 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 4.9. Easements for Association.

There is hereby reserved a general right and easement for the benefit of the Association, its Directors, officers, agents and employees including, but not limited to, any property manager employed by the Association and any employees of such manager, to enter upon any Lot in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner.

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

Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant, 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 4.11. Maintenance Easement.

Subject to the other terms of this Declaration, there is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an inalienable, transferable and perpetual right and easement to enter upon any unimproved portion of any Lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety and appearance within the Subdivision; provided that such easements shall not impose any duty or obligation upon the 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.

BK 77 S567PG049

Section 4.12. Environmental Easement.

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

Section 4.13. 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.

BK 77 S567PG050

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) monthly 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 Monthly 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 Monthly 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 ($\frac{1}{2}$) 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 Monthly 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 Monthly Assessments: Due Dates.

Lots owned by the Declarant shall be exempt from the payment of Monthly Assessments as long as they are owned by said Declarant or a Builder. The monthly 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. Monthly 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 monthly 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 Monthly 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 Monthly Assessment shall be adjusted according to the number of days remaining in the month. The Board of Directors shall fix the amount of the Monthly Assessment against each Lot at least thirty (30) days in advance of each Monthly Assessment. Written notice of the Monthly 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 Monthly Assessment.

(a) Until January 1, 2006, the Maximum Monthly Assessment (Maximum Monthly Assessment) shall be \$100.00 per Lot. The Maximum Monthly Assessment thereafter may be increased each year not more than ten (10%) percent above the Maximum Monthly Assessment for the previous year without a vote of the membership. From and after January 1, 2006, the Maximum

BK 5567PG053

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 Monthly 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 three (3) months monthly 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: Remedies of the Association.

Any Assessment, or Working Capital Fund payment, not paid within thirty (30) days after the due date shall be subject to late fee as established by the Board. 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. In case the Assessment or Working Capital Fund payment secured hereby or any part thereof is collected by suit or action or foreclosure, or put into the hands of an attorney for collection, suit, action or foreclosure, Owner shall be chargeable with all costs and expenses, including reasonable attorney's fees, which shall be immediately due and payable and added to the Assessment or Working Capital payment indebtedness and secured hereby. No Owner may waive or otherwise escape liability for the Assessments, or Working Capital Fund payments, provided for herein by non-use of the Common Area or abandonment of such Owner's Lot. No delay by the Board or the Association in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any non payment hereunder.

Section 6.10. Subordination of the Lien to Mortgages.

The lien of the Assessments, or Working Capital Fund payments, 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 or Working Capital Fund lien. However the sale or transfer of any Lot pursuant to mortgage foreclosure, or any deed or other proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessments and Working Capital Fund payments as to such payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments or Working Capital Fund payments 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, charge and lien created herein:

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 Monthly 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 three (3) months monthly 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: Remedies of the Association.

Any Assessment, or Working Capital Fund payment, not paid within thirty (30) days after the due date shall be subject to late fee as established by the Board. 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. In case the Assessment or Working Capital Fund payment secured hereby or any part thereof is collected by suit or action or foreclosure, or put into the hands of an attorney for collection, suit, action or foreclosure, Owner shall be chargeable with all costs and expenses, including reasonable attorney's fees, which shall be immediately due and payable and added to the Assessment or Working Capital payment indebtedness and secured hereby. No Owner may waive or otherwise escape liability for the Assessments, or Working Capital Fund payments, provided for herein by non-use of the Common Area or abandonment of such Owner's Lot. No delay by the Board or the Association in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any non payment hereunder.

Section 6.10. Subordination of the Lien to Mortgages.

The lien of the Assessments, or Working Capital Fund payments, 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 or Working Capital Fund lien. However the sale or transfer of any Lot pursuant to mortgage foreclosure, or any deed or other proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessments and Working Capital Fund payments as to such payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments or Working Capital Fund payments 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, charge and lien created herein:

BK 5567PG055

- (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
EXTERIOR MAINTENANCE AND PARTY WALLS**

Section 7.1. Exterior Maintenance

In addition to maintenance of the Common Area, the Association shall provide exterior maintenance upon each Lot as follows: paint and/or stain the exterior of the residential unit on the Lot; repair, replace and care for roofs, gutters, downspouts, exterior building, surfaces, trees, shrubs (excluding those planted by an Owner), grass, walks, mailboxes, fences installed by Declarant or the Association, exterior post lights (excluding electricity therefor), and other exterior improvements. Such exterior maintenance shall not include glass surfaces. Further, the Owner of any Lot may, at his or her election, plant flowers in the front and rear beds established by the Declarant in developing the Lot, provided that such maintenance by the Owner does not hinder the Association in performing its maintenance of the exterior of the residential unit and the remaining yard spaces. No maintenance by an Owner shall reduce the assessment payable by him or her to the Association. The Owner shall not plant any vegetation in the front yard except with the prior written approval of the Association.

(As a matter of information to future Members of the Association, the Declarant desires to make it known that due to differing amounts of exposure to the elements and other factors, some Lots may require more maintenance than others and that it is in the best interest of the entire Association that all units be properly maintained and that the Association shall be required to provide such maintenance provided for herein and make a uniform charge without regard to the actual cost of maintenance of each Lot.)

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his or her family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject, which is not subject to any maximum. The Association is hereby granted an easement right of access to go upon any Lot for performance of repairs or maintenance, the responsibility of which is the Association's hereunder.

Subject to the provisions of this Declaration as expressly set forth in the obligations of the Association, all maintenance, repair or replacement of the Lot and all structures, and other improvements located with the Lot shall be the sole responsibility of the Owner thereof who shall perform such maintenance in a manner consistent with the community and the applicable provisions of this Declaration.

OK # P S567PG056

Section 7.2. Party Walls.

- (a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the residential units upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. No alterations may be made to any party wall other than alterations to the interior surfaces.
- (b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in the proportion to such use.
- (c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
- (d) Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his or her negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- (e) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.
- (f) Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Article, each part shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VIII
INSURANCE

Section 8.1. Insurance Coverage

Insurance Coverage on the Property shall be governed by the following provisions:

- (a) Ownership of Policies All insurance policies upon the Properties shall be purchased by the Association for the benefit of all the Association and the Owners and their mortgagees as their interest may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Owners. Owners may, at their option, obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense and such other coverage as they may desire.

(b) Coverage All buildings and improvements upon the Properties and all personal property of the Association included in the Common Area and facilities shall be insured in an amount equal to one hundred percent (100 %) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:

(i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land;

(iii) Such policies shall contain clauses providing for waiver of subrogation

(iv) floods for those Lots in Flood Zone A AE, and V.

(c) Liability Public liability insurance shall be secured by the Association with limits of liability of no less than One Million (\$1,000,000.00) Dollars per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall be obtained such other insurance coverage, as the Association shall determine time to time to be desirable and necessary.

(d) Premiums Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be included as part of the monthly assessment described in Article V above.

(e) Proceeds All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purpose stated herein or stated in the Bylaws and for the benefit of the Owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to Common Areas and facilities held for the Association.

(ii) Proceeds on account of damage to Lots shall be held in undivided shares for the owners of damaged Lots in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

(iii) In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner shall as their interest may appear.

BK # S567PG058

(iv) The Owners suffering any loss shall be responsible to bear the cost of any deductibles among themselves, and if a deductible applies to multiple losses, the deductible shall be prorated among the owners based on the amount of loss incurred individually to the aggregate losses.

Section 8.2. Distribution of Insurance Proceeds

Proceeds of insurance policies received by the Association, as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) Expense of the Trust All expenses of the insurance trustee shall be first paid or provisions made therefor .

(b) Reconstruction or Repair The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners as above provided.

Section 8.3. Fidelity Insurance or Bond

All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust, shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months assessments, plus reserve accumulated.

**ARTICLE IX
USE RESTRICTIONS**

Section 9.1 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 9.2. 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

BK F S567P6059

be removed at any time with or without cause by the person or entity that appointed such member.

No building, fence, wall, or other structure, and no change in topography, landscaping, grading, filling or any other item shall be commenced, erected or maintained upon any portion of the Subdivision, nor shall any exterior addition to or change be made until the plans and specifications including, but not necessarily limited to 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 9.3. 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;

BK # S567PG060

- (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 9.4. 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 9.5. 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) attached 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 9.6. 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 9.7. 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 9.8. 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 9.9. Setbacks, Building Lines and Height Restrictions.

The height, area and setback regulations of the zoning ordinance of the County of Charleston or the City of North 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 North Charleston.

Section 9.10. 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

BK S567PG062

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 9.11. 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 9.12. 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 9.13. 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 9.14. 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 North 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 North Charleston.

Section 9.15. 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 9.16. 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 Charleston.

Section 9.17. 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

BR 5567PG063

system of the Subdivision.

Section 9.18. 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 North Charleston.

Section 9.19. 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 9.20. 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 North Charleston.

Section 9.21. 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

BK 5567PG064

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 9.22. 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 9.23. Junk or Disabled Vehicles.

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

Section 9.24. Motorcycles.

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

Section 9.25. 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 North 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 9.26. 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 9.27. Rental Period.

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

BK 5567PG065

Section 9.28. 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 9.29. Prohibition of Accessory Structures.

No dog house, detached garage, carport, swing set 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 9.30. 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 9.31. 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 9.32. 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 9.33. 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 9.34. 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

BK S567PG066

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 9.35. 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) Monthly 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 9.36. 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 9.37. 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 or 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 9.38. 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

BK # S567PG067

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 9.39. 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 9.2. 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 9.40. 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 9.41. 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 9.42. 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 9.43. 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 9.44. 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 9.45. 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 9.46. 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 X
GENERAL PROVISIONS**

Section 10.1. 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 10.2. Severability.

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

BK # S567PG069

Section 10.3. 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 10.4. 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 10.5. 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 9.36 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) Amendments by Lot Owners. This Declaration may be amended by an instrument signed by not less than two-thirds (2/3) of the Lot Owners.

(c) 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/ROD Office.

Section 10.6. No Dedication of Common Areas, Etc.

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 10.7. Time is of the Essence.

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

Section 10.8. 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.

Exhibit "A"

BOOK # S567PG072

All those certain lots known and designated as **Lots 1-40, 50-60, 116-131** of Phase I of the **PARK AT RIVERS EDGE**, inclusive as shown on a plat thereof entitled "FINAL PLAT LOTS 1-40, 50-60, 116-131 THE PARK AT RIVER'S EDGE (MULTI-FAMILY PHASE) CITY OF NORTH CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA FOR CTM III, LLC" and recorded in the RMC/ROD Office for Charleston County in **Plat Book EH, Pages 272 and 273,**

STATE OF SOUTH CAROLINA)
) FIRST AMENDMENT TO
) DECLARATION OF COVENANTS and
COUNTY OF CHARLESTON) RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY

This First Amendment to Declaration of Covenants is made by **PARK AT THE ASHLEY, LLC** (herein Owner') and **BEECHWOOD BUILDERS, INC** (herein "Builder") In this Declaration the Owner shall be referred to as 'Declarant

WHEREAS by **DECLARATION OF COVENANTS RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY**, dated December 20 2006 and recorded in Book at Page of the RMC Office for Charleston County South Carolina (herein the Declaration) the Owner and Builder did impose restrictive covenants upon the property known generally as **Lots 1-40, 50-60, 116-131 of the PARK AT THE ASHLEY** inclusive all as shown on a plat thereof entitled **FINAL PLAT LOTS 1-40 50-60 116-131 THE PARK AT RIVER S EDGE (MULTI-FAMILY PHASE) CITY OF NORTH CHARLESTON CHARLESTON COUNTY SOUTH CAROLINA FOR CTM III LLC** and recorded in the RMC/ROD Office in Plat Book EH at page 272 and 273

WHEREAS **Section 10 5** of the **DECLARATION OF COVENANTS RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY** provides in part that

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

(c) 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/ROD Office

WHEREAS the Owner/Declarant and Builder are one-hundred (100%) percent of the Lot Owners and the owners and title holders of one-hundred (100%) of the Lots

WHEREAS the Owner/Declarant and Builder desire to amend such **DECLARATION OF COVENANTS and RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY** to amend the voting rights under Section 3 4 amend Section 7 1 and 9 45 as to the duties and responsibilities of the Association for exterior maintenance the duties and responsibilities of the Lot Owner and provide that the Association shall provide certain lawn maintenance for the Lots and the Lot Owner shall keep such lawn in good order and condition amend Article 8 to delete the duty of the Association to provide liability and hazard insurance for the Lots and amend Section 9 25 to reduce the number of pets allowed and amend Section 10 8 to specifically note that Remedies for Violation of the Restrictions contained within the Declaration apply any Owner or agent of such Owner an Occupant or Tenant

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS that **PARK AT THE ASHLEY, LLC** (herein Owner) and **BEECHWOOD BUILDERS, INC** (herein 'Builder'), as the owner of that certain property located in Charleston County State of South Carolina shown and designated as **Lots 1-40, 50-60, 116-131 of the PARK AT THE ASHLEY** inclusive all as shown on a plat thereof entitled **FINAL PLAT LOTS 1-40 50 60 116-131 THE PARK AT RIVER S EDGE (MULTI-FAMILY PHASE) CITY OF NORTH CHARLESTON CHARLESTON COUNTY SOUTH CAROLINA FOR CTM III LLC** and recorded in the RMC/ROD Office for Charleston County in **Plat Book EH, Page 272 and 273** hereby amend the **DECLARATION OF COVENANTS AND RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY** as follows

Section 3 4 is deleted in its entirety and the following inserted in its place

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 Park at the Ashley LLC The Class B members shall be entitled to five (5) votes for each Lot in which it holds the interest required for membership under Section 3 3 above and (as to the Additional Property) five (5) 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, 2010

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

Section 7 1 is deleted in its entirety and the following inserted in its place

Section 7 1 Exterior Maintenance

In addition to maintenance of the Common Area the Association shall provide no exterior maintenance to or upon each Lot except for the seasonal maintenance (cutting) grass upon each Lot exterior post lights (excluding electricity therefore) and other exterior improvements Further the Owner of any Lot may at his or her election plant flowers in the front and rear beds established by the Declarant in developing the Lot provided that such maintenance by the Owner does not hinder the Association in performing its grass and lawn cutting the remaining yard spaces The Owner shall not plant any vegetation in the front yard except with the prior written approval of the Association

The Association is hereby granted an easement right of access to go upon any Lot for performance of seasonal grass and lawn cutting

Article VIII is deleted in its entirety and the following inserted in its place

**ARTICLE VIII
INSURANCE**

Section 8 1 Insurance Coverage

Insurance shall be liability and hazard Coverage covering the improvements and activities on the open spaces and common areas and common properties No coverage shall be afforded individual Lots or the improvements thereon All insurance policies upon the Properties shall be purchased by the Association for the benefit of the Association and the Owners

The Association shall secure and maintain Public liability insurance with limits of liability of no less than One Million (\$1 000 000 00) Dollars per occurrence There shall be obtained such other insurance coverage as the Association shall determine time to time to be desirable and necessary

Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be included as part of-the monthly assessment described in Article V above

All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and shall provide for the insurance for damage to the facilities improvements and activities on the open spaces and common areas and common properties

Section 8 2 Fidelity Insurance or Bond

All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months assessments plus reserve accumulated

Section 9 25 is deleted in its entirety and the following inserted in its place

Section 9 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 two [2]) in any combination or total number of pets not to exceed two [2] 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 North 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 Lot Owner said approval to be filed with the Association

Section 9 45 is deleted in its entirety and the following inserted in its place

Section 9 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 and watering 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) of the Declaration 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 10 8 is deleted in its entirety and the following inserted in its place

Section 10 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 an Occupant or a Tenant 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

In all other respects the DECLARATION OF COVENANTS AND RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY shall remaining full force and effect

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS that **PARK AT THE ASHLEY, LLC** and **Beechwood Builders, Inc.**, as the Declarant and Builder of that certain property located in Charleston County, State of South Carolina shown and designated as Lots **1-40, 50-60, 116-131** of the **PARK AT THE ASHLEY** inclusive all as shown on a plat thereof entitled **FINAL PLAT LOTS 1-40 50-60 116-131 THE PARK AT RIVERS EDGE (MULTI-FAMILY PHASE) CITY OF NORTH CHARLESTON CHARLESTON COUNTY SOUTH CAROLINA FOR CTM III LLC** and recorded in the RMC/ROD Office for Charleston County in **Plat Book EH, Page 272 and 273** hereby forfeits its Class B Membership.

NOW, THEREFORE, pursuant to the originally-filed **DECLARATIONS OF COVENANTS RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY** and **FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY**, Class B membership has ceased and any Class B membership is hereby converted to Class A membership.

Declarant further declares that, in accord with the provisions of **Section 4.2** of the **DECLARATIONS OF COVENANTS RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY**, it hereby conveys to the Association its fee simple title to the Common Areas of the Subdivision, signified by limited warranty deed to be recorded in Book at Page of the RMC Office for Charleston County, South Carolina.

In all other respects the **DECLARATIONS OF COVENANTS RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY** and **FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR HIDDEN RIVER ON THE ASHLEY** shall remain in full force and effect.

[THIS PAGE INTENTIONALLY LEFT BLANK]

WITNESS the execution hereof by Park at the Ashley, LLC, as Declarant and Beechwood Builders, Inc. as Builder, on this 23rd day of MARCH, 2010.

[Signature]
Michelle J. Bryson

PARK AT THE ASHLEY, LLC

[Signature]
By: John Seppala
V.P.

Michelle J. Bryson
[Signature]

BEECHWOOD BUILDERS, INC.

[Signature]
By: Amos Seppala
V.P.

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me on this 23rd day of MARCH, 2010, by Park at the Ashley, LLC by Josh Seppala, its Vice President and authorized agent.

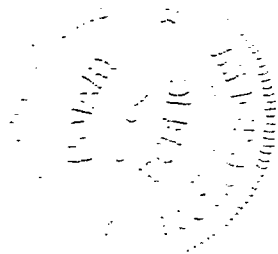
C Cliff Rollins
Notary Public for South Carolina
My Commission expires: 07/21/13

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me on this 23rd day of MARCH, 2010 by Beechwood Builders, Inc. by Amos Seppala, its Vice President and authorized agent.

C Cliff Rollins
Notary Public for South Carolina
My Commission expires: 07/21/13



STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

I hereby certify that Josh J. Seppala, the appointed Agent and Officer of Park at the Ashley, LLC did personally appear before me this the 13th day of MARCH, 2011 .

C. Cliff Rollins
Notary Public for South Carolina

My Commission expires: 07/21/13

STATE OF SOUTH CAROLINA)
)
COUNTY OF Greenville)

ACKNOWLEDGMENT

I hereby certify that Amos Seppala, the appointed Agent and Officer of Beachwood Builders, LLC did personally appear before me this the 23rd day of MARCH, 2011 .

C Cliff Rollins
Notary Public for South Carolina

My Commission expires: 07/21/13

RECORDER'S PAGE



NOTE: This page **MUST** remain with the original document

DWJ
 Filed By: *Pls. call for # 302-1900*

ERIKA V HARRISON
 PO BOX 20956
 CHARLESTON SC 29413

RECORDED		
Date:	April 1, 2011	
Time:	11:37:08 AM	
<u>Book</u>	<u>Page</u>	<u>DocType</u>
0179	886	Misc/Amend
Charlie Lybrand, Register Charleston County, SC		

MAKER:
 BEACHWOOD BUILDERS INC

RECIPIENT:
 NA

Original Book:
 S567

Original Page:
 038

of Pages: 78
 # of Sats: # of References:

Note:

Recording Fee	\$ 10.00
Extra Reference Cost	\$ -
Extra Pages	\$ 73.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 83.00

DRAWER Drawer 4
CLERK LRR



0179
Book



886
Page



04/01/2011
Recorded Date



78
Pgs



S567
Original Book



038
Original Page



D
Doc Type



11:37:08
Recorded Time