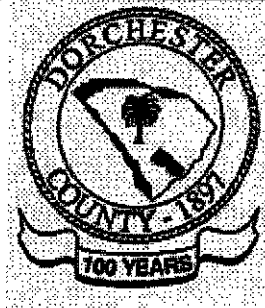


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2007 MAY 18 PM 4:01

MARGARET L. BAILEY
DORCHESTER COUNTY, SC



**THIS PAGE IS HEREBY ATTACHED AND MADE PART OF
THE PERMANENT RECORD OF THIS DOCUMENT. IT IS
NOT TO BE DETACHED OR REMOVED AND MUST BE
CITED AS THE FIRST PAGE OF THE RECORDED
DOCUMENT. THE TOP OF THE PAGE IS TO BE USED FOR
RECORDING PURPOSES AND IS NOT TO BE USED FOR
ANY OTHER PURPOSE.**

**REGISTER OF DEEDS
DORCHESTER COUNTY SOUTH CAROLINA
MARGARET L. BAILEY, REGISTER
POST OFFICE BOX 38
ST. GEORGE, SC 29477
843-563-0181 or 843-832-0181**

Upon recording return to:
 William Bobo, Jr.
 Nelson Mullins Riley & Scarborough LLP
 Liberty Center, Suite 600
 151 Meeting Street
 Charleston, South Carolina 29401

Dorchester County Cross Reference:
 Deed Book: 5500, Page: 22

DECLARATION OF COST SHARING AGREEMENT

THIS DECLARATION OF EASEMENT AND COST SHARING AGREEMENT (the "Agreement") is made this 8 day of May, 2007, by and between **KB HOME SOUTH CAROLINA INC.**, a Delaware corporation, as successor by merger to KB Home South Carolina LLC (hereinafter referred to as "**KB**"); **CHARLESTON PARK OWNERS ASSOCIATION, INC.**, a South Carolina nonprofit corporation (hereinafter referred to as the "Association"); and **SC VILLAS, LLC**, a South Carolina limited liability company (hereinafter referred to as the "Villas") (KB, Association and Villas are hereinafter sometimes referred to individually as the "Party" or collectively as the "Parties").

WITNESSETH:

WHEREAS, KB executed that certain Master Declaration of Protective Covenants, Conditions, Restrictions and Easements for Charleston Park, to be recorded in the Office of the Register of Deeds for Dorchester County, South Carolina (hereinafter as supplemented and/or amended from time to time, referred to as the "Master Declaration"); and

WHEREAS, KB is the owner of that certain real property located in Dorchester County, South Carolina, which is to be held, conveyed, encumbered, used, occupied and improved subject to the Master Declaration, as such property is more particularly described in Exhibit "A" to the Master Declaration (hereinafter referred to as "Charleston Park"); and

WHEREAS, the Association is a non-profit corporation organized under the South Carolina Nonprofit Corporation Act to be the Association named in the Master Declaration to have the power and authority set forth therein; and

WHEREAS, the Villas is the owner of certain real property located in Dorchester County, South Carolina, which is adjacent to Charleston Park (hereinafter referred to as the "Villas at Charleston Park"); and

WHEREAS, a portion of the Villas at Charleston Park contains entrance area improvements (the "Entry Features") that serve both the Villas at Charleston Park and Charleston Park; and

WHEREAS, pursuant to that certain Easement for Entry Features recorded on July 27, 2006 in Deed Book 5500, Page 22, *et seq.*, in the Office of the Register of Deeds for Dorchester County, South Carolina (the "Entry Feature Easement"), KB has a perpetual, permanent, non-exclusive easement over that certain portion of the Villas at Charleston Park, as more particularly described in Exhibit "A", attached hereto and incorporated herein by reference, for the installation of, access to, landscaping, maintenance, replacement and repair of said Entry Features; and

WHEREAS, the Parties desire by this Agreement to set forth certain terms and conditions for the sharing of costs with respect to the maintenance of the Entry Features;

NOW, THEREFORE, for and in consideration of the foregoing premises, the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, KB, the Association, and the Villas hereby declare, covenant and agree as follows:

1. **Maintenance**. The Entry Features shall be maintained by the Association in a clean, safe, operable, attractive condition as provided in Section 5.1 of the Master Declaration and subject to the terms of this Agreement, for so long as this Agreement is in effect.
2. **Cost Sharing**. The cost of operating, maintaining, repairing and replacing the Entry Feature Easement and the Entry Features thereon shall be shared equally by the Association and the Villas.
3. **Billing**. The Association shall ascertain, or cause to be ascertained, and shall bill to the Villas, the pro-rata share of the costs and expenses accrued to the Villas as provided herein. Such billings shall be on a monthly or less frequent basis as from time to time deemed appropriate by the Association, but such billings shall be made no less frequently than annually. Such amounts shall be paid by the Villas in the manner as determined by the Association from time to time. Unless otherwise provided by the Association, such charges shall be paid within thirty (30) days of receipt of such billing.
4. **Default**. Each Party shall be deemed to be in default of this Agreement if it fails or refuses to comply with the terms and conditions set forth herein for any reason. In the event of a default ("Event of Default"), the non-defaulting party shall give the defaulting party notice of default that shall describe the condition causing the Event of Default in detail. The defaulting

party shall then have thirty (30) days from the receipt of notice under this Declaration, to cure the condition causing the Event of Default. If the defaulting party fails to cure the Event of Default within such time period, the non-defaulting party may, in its discretion, invoke the dispute resolution procedures set forth below.

5. Dispute Resolution Procedures. The parties agree first to attempt to resolve disputes arising out of this Agreement through mediation in lieu of initially filing suit in a court of law. For any claim arising out of the terms of this Agreement, other than any action taken to obtain temporary emergency relief, the complaining party shall provide the other party with written notice of the claim and the basis for the claim. If the parties are unable by themselves to resolve the dispute within ten (10) days after receipt of the written notice, then upon written request of any party to the dispute, made within ten (10) days after the end of the 10-day period of private resolution, the disputing parties, in good faith, shall attempt to resolve the dispute through an independent mediation agency in the State of South Carolina. If any party to the dispute requests mediation, the dispute shall be submitted to mediation within thirty (30) days of such request. If mediation is commenced but the dispute is not resolved within thirty (30) days after submission of the matter to the mediation process, or such longer time as may be mutually agreed upon by each party to the dispute, the mediation shall terminate and the parties may pursue any and all available legal and equitable remedies, including, but not limited to, specific performance.

6. Notice. Each notice or document (collectively referred to in this Section as "Notice") required or permitted to be given hereunder must comply with the requirements of this Section. Each such Notice shall be in writing and shall be delivered either by personally delivering it (including confirmed facsimile, Federal Express or commercial courier service) or by depositing it with the United States Postal Service, certified mail, return receipt requested, with adequate postage prepaid, addressed to the appropriate party (and marked to a particular individual's attention). Such Notice shall be deemed delivered at the time of personal delivery or, if mailed, when it is deposited as provided above, but the time period in which a response to any such Notice must be given or any action taken with respect thereto shall commence to run from the date it is personally delivered or, if mailed, the date of receipt of the Notice by the addressee thereof, as evidenced by the return receipt. Rejection or other refusal by the addressee to accept the Notice shall be deemed to be receipt of the Notice. In addition, the inability of the United States Postal Service to deliver the Notice because of a change of address of the party of which no Notice was given to the other party as provided below shall be deemed to be the receipt of the Notice sent. The address for receipt of Notice may be changed by either party by designating the change of address to the other Party in writing.

The initial addresses of the parties are as follows:

KB: 4401 Bell Oaks Drive, Suite 280
North Charleston, South Carolina 29405
Attn: Ashley Vaughan

Association: 4401 Bell Oaks Drive, Suite 280
North Charleston, South Carolina 29405
Attn: Ashley Vaughan

Villas: _____

7. Amendment. This Agreement may be amended upon the written approval of the Parties.

8. Compliance With Governmental Authority. The Parties, and their respective successors and assigns agree to comply with all laws, ordinances, statutes, rules and regulations of any governmental authority relating to the use, condition, or maintenance of the property described herein, and in the event that any expense is required to affect such compliance, such expense shall be considered a general maintenance expense for which the cost shall be shared as provided herein. Provided, however, in the event that any non-compliance is caused through the willful or negligent act of any of the Parties, as the case may be, their successors or assigns, then all costs to affect such compliance shall be at the sole expense of the responsible Party.

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

10. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors, successors in title, legal representatives, and assigns. The easements, rights and obligations created, granted and established in this Agreement do not, and are not intended to, and shall not be construed to create any third party beneficiary rights in favor of any other parties or any easement, right, or privilege for the benefit of the general public.

11. Time of Essence. Time is of the essence of this Agreement.

12. Miscellaneous. This Agreement shall be governed in accordance with the laws of the State of South Carolina. The paragraph headings in this Agreement are for convenience only, shall in no way define or limit the scope or content of this Agreement, and shall not be considered in any construction or interpretation of this Agreement or any part hereof.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereby execute this Agreement, under seal, by and through its duly authorized officers on the date and year first above written.

KB: **KB HOME SOUTH CAROLINA INC., a Delaware corporation**

By: Scott Hebebrand
Name: Scott Hebebrand
Title: Director of Land

[AFFIX CORPORATE SEAL]

Scott Hebebrand
WITNESS

Andrew Padden
WITNESS

State of South Carolina

County of Charleston

The foregoing document was acknowledged before me this 9 day of May, 2007 by KB Home of South Carolina Inc., a Delaware corporation by Scott Hebebrand, its Land Director.

Greg E. V...
Notary Public for South Carolina
My Commission Expires: 9.21.2015

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, the Party herein hereby executes this instrument under seal, this 9 day of May, 2007.

ASSOCIATION:

CHARLESTON PARK OWNERS ASSOCIATION, INC., a South Carolina nonprofit corporation

By:
Name:
Title:

Ashley E. Vaughn
Ashley E Vaughn
Board of Directors

[AFFIX CORPORATE SEAL]

[Signature]
WITNESS

[Signature]
WITNESS

State of South Carolina
County of Charleston

The foregoing document was acknowledged before me this 9 day of May, 2007 by Charleston Park Owners Association, Inc., a South Carolina nonprofit corporation by Ashley Vaughn, its BOD.

[Signature]

Notary Public for SC
My Commission Expires: 6/21/09

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, the Party herein hereby executes this instrument under seal,
this 8 day of May, 2007.

VILLAS:

SC VILLAS, LLC, a South Carolina
limited liability company

By:
Name:
Title:

D. Dale Smith (SEAL)
D. DALE SMITH
Member

Natalie Rankin
WITNESS

Patricia S. Allen
WITNESS

State of South Carolina

County of Derchester

The foregoing document was acknowledged before me this 8 day of May, 2007
by SC Villas, LLC, a South Carolina limited liability company by D. Dale Smith,
its Member.

Julie J. Maronville
Notary Public for South Carolina
My Commission Expires: 1-3-17

OK 6029P6148

EXHIBIT "A"
Entry Feature Easement

All that certain piece, parcel, or lot of land lying and being in the city of North Charleston, Dorchester County, South Carolina, across the property described as "Tract A" on a survey by Nielson & Associates titled, "Subdivision Plat of a 200.03 Acre Tract Owned by Dorchester Road (Charleston) Associates Limited Partnership, A South Carolina Limited Partnership into Tract 'A', Tract 'B' and Residual", dated May 27, 2003, recorded in cabinet 'K' slide 83, of the Dorchester County R.M.C., and having the following metes and bounds.

Commencing at a point along the eastern right-of-way of Trump road, intersecting the northern right-of-way of Dorchester Road (S-18-642) approximately 8236' west of the right-of-way of Ashley Phosphate Road and designated as POB. Thence running along the eastern right-of-way of Trump Road N35°40'27"E a distance of 45.01' to a CALCULATED POINT, thence turning and running along the lands of Tract A S53°46'53"E a distance of 85.43' to a CALCULATED POINT, thence continuing along said lands S36°13'07"W 45.00', to a CALCULATED POINT, thence running along the right-of-way of Dorchester Road N53°46'53"W a distance of 85.00' to the point of beginning "Landscape Easement Tract A" containing 0.088 acres, more or less.